

6

MINUTES OF
PRODIGY SERVICES COMPANY
EXECUTIVE COMMITTEE MEETING
WHITE PLAINS, N.Y.

JUNE 29, 1988

A meeting of the Executive Committee of Prodigy Services Company, a partnership organized under the laws of the State of New York, was held at 7:30 a.m. on June 29, 1988 at the Prodigy offices located at 445 Hamilton Ave., White Plains, NY.

Members Present: Mr. R. T. Liebhaber
Mr. C. F. Moran

Absent: None

Others Present: Mr. T. C. Papes
Mr. G. M. Perry
Mr. H. E. Smith
Mr. J. H. Beall (Part time)
Mr. B. E. Bellmare (Part time)
Ms. L. Branigan (Part time)
Mr. R. S. Glatzer (Part time)
Mr. H. Heilbrunn (Part time)
Mr. J. M. Hewitt (Part time)
Ms. M. H. Kelley (Part time)
Mr. R. C. Novak (Part time)
Mr. H. C. Perce (Part time)
Ms. D. Shook (Part time)
Mr. P. Swigert (Part time)
Ms. J. M. Triplett (Part time)
Mr. D. J. Waks (Part time)

Mr. C. F. Moran presided as Chairman of the meeting, and Mr. Perry, Secretary of the Company, recorded the minutes. Upon motion duly made, seconded and unanimously carried the minutes of the May 19, 1988 meeting were approved. Messrs. Beall, Heilbrunn, Hewitt and Smith were present at the commencement of the meeting.

I. SERVICE READINESS REPORT

The Chairman first called upon Messrs. Beall and Heilbrunn who, using visual aids copies of which are attached as Exhibits A and B respectively, presented the Service Readiness report. Mr. Heilbrunn began the report by reviewing the non-commercial changes to the PRODIGYsm service since May 16, including the following: (a) special sections (US/USSR summits; Fourth of July; Shape Up; and Day Time Emmy Winners); (b) added depth (San Francisco local content; two-day horoscopes; and 14 reviews added to Consumer Reports); (c) CEO business simulator game; (d) various service design changes (including partial JUMPword functionality, new commands in the JUMPwindow, and the ability to add credit card numbers to profile); and (e) usage building events. He also reviewed non-commercial changes coming to the service through July, which include the Democratic Convention Update, Dow Jones Company News, and Quick Menus, Phase I.

Mr. Heilbrunn said that since June 6 the service has been on a 6AM to 12 midnight schedule on both the East and West Coasts. He then reported on certain service usage measurements, comparing them with the Long Range Plan for mid-1988. The measurements for each category are substantially below the Plan, except for minutes per session, which exceeded the Plan by 50%. Similarly, the measurements for transactions are below Plan, except the number of orders per household (even with Plan) and inquiries per household (100% over Plan).

Mr. Heilbrunn then reviewed charts showing the breakdown of enrollment by type of Member (about 90% are now Founding Members), and the breakdown of the Founding Members by age and gender (65% male, over 18; 21% female, over 18). He then reviewed several charts showing various usage measurements for the four groups being tracked (the Hartford testers, the Panel testers, the Connecticut Computer Society, and the new Founding Members). He briefly reviewed the results of the "Sign On, Cash In" game being used to promote usage. He said that there have been 36 winners to date, which represents 26% of the Member IDs listed. Phase II of the game is scheduled to run from June 16 to July 15. He then reviewed the May shopping activity, noting that total sales were about \$9,700, with three commercial clients (Sears, JC Penney, and Neiman Marcus) making up over 66% of the total.

Following this report, Mr. Beall stated that Reception System 6.1.8 (officially designated Version 1.0) has been issued and is in the process of being installed by the Members. Installation so far appears to be going well. He then reviewed the schedule for Reception System 6.2. The current schedule indicates that it will be available to ship to Founding and Charter Members by September 1, but will not be ready to ship to the retail trade until about three weeks later. The revised target for having the product packages in retail sales outlets is October 1. This represents a delay of about one month from plan.

Mr. Beall then reported on the status of various special applications as follows: (a) in banking, the BNE/CBT account balance application is in limited pilot test with employees of the bank; the Citizens and Southern MHT-replication is targeted to be on-service at the end of September, and detailed planning is in progress on the Trustcorp application, with a target of 2nd quarter, 1989; (b) Pershing (Phase I) is in S&AT testing and is scheduled to be on-service at the end of August under the name "Command Brokerage;" (c) the Kroger application is in rehearsal, with the on-service testing by Kroger employees expected to begin July 5; Grocery Express is on a schedule that would put it on-service around the end of September, which is about one month later than plan; and (d) the EAASY Sabre CRS is in rehearsal and expected on-service by July 15, the milestone date.

Following these reports, Ms. Branigan, Ms. Shook, Ms. Triplett, and Messrs. Bossert and Swigert joined the meeting.

II. GROCERY APPLICATION DEMONSTRATION

The Chairman then called upon Ms. Branigan who, using visual aids copies of which are attached as Exhibit C, and with the assistance of Ms. Shook, presented a demonstration of the Kroger grocery application.

Following the demonstration, Ms. Branigan, Ms. Shook, Ms. Triplett, and Messrs. Bossert and Swigert retired from the meeting.

III. SYSTEM AND NETWORK AVAILABILITY

The Chairman then called upon Mr. Hewitt who, using visual aids copies of which are attached as Exhibit D, reported on system and network availability. He said that the first two weeks of June went without incident, but two major host outages in the third week brought the overall PLS availability average for the June 1-2/ period down to 97%, compared to 98.1% for the month of May. He said that the worst outage, which lasted about 6.5 hours, resulted from the failure of the raised floor air conditioning system. He then reviewed the status of PLSs under construction, as well as those sites for the 1989 rollout which are under lease negotiation or site selection. He said that all are on schedule except Philadelphia, which is running slightly behind schedule.

Mr. Hewitt then briefly described recent discussions with three Regional Bell Operating Companies (Bell Atlantic, Ameritec, and US West) relating to the possibility of their installing and operating local sites for Prodigy and providing this service bundled with local transmission services. The discussions are ongoing but, to date, inconclusive.

Following this report, Mr. Glatzer, joined the meeting.

III. CLIENT REPORT

The Chairman then called upon Messrs. Smith and Heilbrunn who, using visual aids copies of which are attached as Exhibits E and F respectively, reported on the status of commercial client acquisition. Mr. Smith began the report by reviewing the highlights of the Commercial Marketing effort of June, including the following: (a) speeches were given during the month to both the AMA and to a group sponsored by Morgan Stanley; both were well received; (b) the new member-based pricing packages are complete, and will go into effect July 1; (c) discussions with K-Mart are progressing well, and a contract is expected very shortly; (d) the Computer Express database application is nearing completion and should be on-service in early July; (e) initial discussions have begun with Kroger regarding its options for grocery applications in the Detroit, Denver, Houston and Dallas markets; and (f) planning has begun for an "Olympic Savings Week" in August, in which Members would be offered a percentage discount on merchandise ordered on the service.

Mr. Smith then reviewed the 10 product packages sold during the month and the three speciality applications (Comerica and National Bank of Detroit in banking, and Nash Finch in grocery). He also reviewed the current product package and specialty application prospects for the July period.

Mr. Heilbrunn then reported on the client work status. He said that 63 commercial clients are now live on the service, and another 43 "work units" (which includes new client packages and additional sales to clients as full and partial units) are in various stages of development. He said that the June 30 milestone of 75 clients live on the service will probably not be met, but it should be met by July 15. He reviewed the likely live dates for 18 work units, the latest of which was July 22. He pointed out that as more clients are added to the service, more work is required for maintenance and refresh of those clients, thereby decreasing the resources available for putting up new clients. He then reviewed the client refresh work in progress and the estimated completion dates.

Following these reports, Mr. Bellmare joined the meeting. The Chairman called upon Mr. Bellmare who, using visual aids copies of which are attached as Exhibit G, reported on the status of bank marketing. He said that since the last meeting, two new home banking clients have been signed, National Bank of Detroit and Comerica, both in the Detroit area. The Comerica contract is for an MHT-replication, while the NBD application will use software that will run on IBM and IBM compatible mainframes. This software is being developed by Trustcorp under an agreement previously reported to the Committee. Mr. Bellmare said that negotiations appear to be going well with Bank of America, Citibank, and Sovran Financial.

Mr. Bellmare then discussed the banking strategy relating to credit unions. He said that consideration of credit unions is part of the existing banking strategy, and that large credit unions in the major market areas are analyzed using the same kind of cost justification and member size and concentration criteria as are used with banks. He reviewed a list of regional credit unions that have been considered in the initial markets. He said that one national credit union that would probably merit more aggressive analysis is the AARP credit union operated through BankOne. The Committee urged Mr. Bellmare to continue looking closely at the major credit unions, including expansion of the relationship with the IBM credit unions in the market entry cities.

Following this report, Mr. Bellmare retired from the meeting and Ms. Kelley joined the meeting.

IV. MEMBERSHIP MARKETING REPORT

The Chairman then called upon Ms. Kelley and Mr. Glatzer who, using visual aids copies of which are attached hereto as Exhibits H and I respectively, reported on Membership Marketing activities. Ms. Kelley began the report by reviewing the membership orders and enrollments to date. She said that a total of 6,406 orders have been received (3,231 in the Founding Member program and 3,175 in the Charter Member program), from which 2,380 Membership enrollments have been completed. A total of 3,672 Members have enrolled through those Memberships. She said that about 800 of the Founding Member orders have not enrolled, and she described the activation program that is being started to improve the order to enrollment ratio in this group. Only about 6% of the orders from the Charter Members to date have requested the Hayes modem, compared to about 19% in the Founding Member program. She attributed this low percentage to the precise targeting of the Charter Member program to people who are largely fully enabled. Ms. Kelley then reviewed with the Committee a chart describing usage and retention activities planned through the end of this year.

Following this report, Mr. Glatzer delivered a report and recommendation relating to the support of MS-DOS machines with less than 512K of RAM ("<512K Machines"). He said that the research indicates that <512K Machines represent only about 14% of the current installed base of addressable machines, and that ratio will drop to about 12% in 1989 and 9.5% in 1990. During the same period MS-DOS machines with 512K of RAM or greater will increase from 48% to 60% of the installed base. He pointed out that fewer <512K Machines are being sold than in past years, and many people who have them are upgrading the RAM size to accommodate the newer, more sophisticated software products being sold today. Tandy is the only major manufacturer still producing <512K Machines and selling them as their core product. Mr. Glatzer said that as a result of this analysis, and in recognition of the high cost of supporting these machines through

the surrogate program, management is recommending that the <512K Machines not be supported by the surrogate program, and that the surrogate be used only to support selected Apple II products, which represent a significantly higher percentage of the current and projected base of addressable machines.

Mr. Glatzer then reviewed the impact of such an action on the Tandy relationship, saying that while it would certainly reduce the rate of sale through the Tandy outlets, Tandy has indicated that it is still willing to carry the PRODIGY service Start-up Kit, and there have been discussions with Tandy about upgrade promotions that could be offered to Tandy machine owners. He then reviewed a chart that showed a revised Membership forecast based on the assumptions of: (a) support only for 512K or greater MS-DOS machines, plus Apple IIc, IIe, and IIGS; and (b) a "soft" market launch in September resulting from the possible delay in Reception System 6.2 discussed earlier in the meeting, with full retail marketing beginning October 1. The Membership forecast for year end 1988 is 27,000, compared to a plan of record number of about 32,000 and the most recent forecast of 37,000.

After discussion, the Committee approved the recommendation not to support the <512K Machines, keeping all options open regarding which Apple products are to be supported by the surrogate program.

Following these reports, Ms. Kelley and Messrs. Glatzer and Heilbrunn retired from the meeting and Mr. Novak joined the meeting.

V. REPORT ON LEASED SPACE

The Chairman then called upon Mr. Novak who, using visual aids copies of which are attached as Exhibit J, reported on the status of the leased space in White Plains. He summarized the lease terms for both the 445 Hamilton and One North Broadway buildings, and noted that there is a cancellation option with respect to all but three of the floors. The option must be exercised, if at all, by August 1, 1988. If exercised, the leases would terminate (except for the three floors) on September 30, 1989 and the Company would have to pay a cancellation fee of \$1,115,000. If the option is not exercised, the lease term with respect to all of the space in both buildings extends to September 30, 1993, except the 9th floor of 445 Hamilton (which expires March 31, 1990) and the 5th floor of One North Broadway (which expires June 30, 1993). This extension would represent a total rental commitment of \$22,662,800 for the two buildings. The Company would, however, receive a noncancellation incentive payment from the landlord of \$735,672.

Mr. Novak said that the combined lease rents on these buildings are very favorable compared to comparable space; the buildings are in a good location; and the landlord has been very

responsive to the Company's needs. Based upon these and other considerations, he said it is management's recommendation that the option to cancel not be exercised. After discussion, the Committee unanimously concurred with the recommendation.

Following this report, Mr. Novak retired from the meeting and Mr. Waks joined the meeting.

VI. REPORT ON BELLSOUTH

The Chairman then called upon Mr. Waks who reported on recent events relating to BellSouth. He said that BellSouth has filed with the FCC a Comparably Efficient Interconnection (CEI) plan relating to the provision of information gateway services by BellSouth. In connection with that filing, BellSouth presented an "illustrative" tariff that would be proposed for adoption at the state level to implement the gateway service. This tariff, if adopted, would be mandatory for all enhanced service providers (including Prodigy) operating within the tariff jurisdiction. Indications from BellSouth are that Georgia would be high on the list of early tariffed jurisdictions. The estimated cost to Prodigy for "first mile" telecommunications service in the Atlanta area if this tariff were adopted would increase from around \$3.50 to \$16.50 per household per month. Prodigy has filed in opposition to the CEI proposal and the matter is now under consideration by the FCC.

Meanwhile, discussions have been continuing with BellSouth to determine whether there is a chance of reaching agreement on a proposal under which BellSouth would own and operate data storage facilities for Prodigy (in lieu of Prodigy's construction of its own local sites) and would provide those facilities, bundled with local transmission services, at a cost acceptable to Prodigy. Such an agreement, if it could be reached, would alleviate the threat of the proposed tariff. If such an agreement cannot be reached, the proposed tariff represents a significant threat to the Company's business in Atlanta and other BellSouth jurisdictions.

Following this report, Messrs. Waks and Hewitt retired from the meeting and Mr. Perce joined the meeting.

VII. MEASUREMENTS

The Chairman then called upon Mr. Perce who, using visual aids copies of which are attached as Exhibit K, reported on the Company measurements through May. He said that the 1988 operating budget was revised as of the end of May, to take into account the actual operating experience during the first five months. The report was given in reference to the Revised Budget. He said that as of the end of May: (a) employee headcount was 817 (compared to Revised Budget 818); (b) net expenses were \$47.0 million (compared to Revised Budget \$47.4 million); and (c) approved capital expenditures were \$10.2 million. Mr. Perce then briefly reviewed the current status of the milestones.

Prodigy Restricted Confidential

There being no further business to come before the meeting,
it was adjourned at 2:00 PM.

Respectfully Submitted,

C. F. Moran
Chairman

G. M. Perry
Secretary

NON-COMMERCIAL CHANGES TO THE SERVICE MAY 16 - JUNE 26

SPECIAL SECTIONS

SHAPE UP	5/27 - 7/5
US/USSR SUMMITS	5/27 - 6/3
FOURTH OF JULY	6/27 - 7/5
WITH "WINDOW SHOPPING"	
DAY TIME EMMY WINNERS	6/29 - 7/7

DEPTH

SAN FRANCISCO LOCAL CONTENT	5/20
HOROSCOPES: NEXT DAY ADDED	6/13
CONSUMER REPORTS: 14 REVIEWS ADDED	

ENTERTAINMENT / EDUCATION

C.E.O. (WITH QUICK MENUS)	6/28
---------------------------	------

SERVICE DESIGN

PARTIAL JUMPWORDS	6/22
NEW COMMANDS IN JUMPWINDOW	6/22
(MAIL, HIGHLIGHTS, MAP)	
COPY GHOSTED IN JUMPWINDOW	6/22
JUMP TO BUILDINGS	6/22
(FINANCE, LIFESTYLE, INFORMATION,	
SHOPPING I, SHOPPING II)	
PROFILE: CREDIT CARDS, ADD A MEMBER	6/22
NO AD ON EXIT SCREEN	6/22

USAGE BUILDING EVENTS

FIRST COMMERCIAL MAIL: FATHERS DAY	5/22
(J.C.PENNEY, R.E.I., SEARS)	
SIGN ON, CASH IN SM GAME: PHASE 2	6/16 - 7/15

EXECPR5

TRINTEX CONFIDENTIAL

5/17/88

Exhibit A

SBC 003195

NON-COMMERCIAL CHANGES TO THE SERVICE COMING THROUGH JULY

SPECIAL SECTIONS

PRIME TIME EMMY'S

ELECTIONS: DEMOCRATIC CONVENTION UPDATE

FOURTH OF JULY

DEPTH

DOW JONES COMPANY NEWS

PERSONAL COMPUTING CLUB

CONSUMER REPORTS RATINGS

SERVICE DESIGN

QUICK MENUS PHASE 1

(GUIDE, PATHLIST, REVIEW LIST)

ENTERTAINMENT + EDUCATION

CHILDREN'S MEDIA CENTER

SERVICE DESIGN

NEW DIGITAL VIDEO DISC

HOME VIDEO

NEW DIGITAL VIDEO DISC

HOME VIDEO

NEW DIGITAL VIDEO DISC

HOME VIDEO

NEW DIGITAL VIDEO DISC

HOME VIDEO

SBC 003196

EXECPR5

TRINTEX CONFIDENTIAL

5/17/88

Exhibit A

TRINTEX SERVICE OPERATING HOURS SCHEDULE

TIME FRAME	NAT'L CENTER OPER. HRS. W/SERVICE KEPT CURRENT EST		PRODIGY REHEARSAL HRS. EST		ANNOUNCED PRODIGY SERVICE HOURS		
					WHITE PLAINS	LOCAL TIME CT & ATL.	CALIF.
NOW THRU 4/3	4 AM-12 MID.		6 AM-12 MID.		6 AM-12 MID.	6 AM-12 MID.	6 AM-9 PM
4/4 THRU 4/17	5 AM- 2 AM		7 AM- 2 AM		7 AM-12 MID.	7 AM-12 MID.	6 AM-11 PM
4/18 THRU 5/22	5 AM- 2 AM		7 AM- 2 AM		7 AM-12 MID.	7 AM-12 MID.	6 AM-11 PM
5/23 THRU 6/5	4 AM- 3 AM		6 AM- 3 AM		6 AM-12 MID.	7 AM-12 MID.	6 AM-11 PM
6/6 MON AND ON	4 AM- 3 AM				6 AM-12 MID.	6 AM-12 MID.	6 AM-12 MID.

SBC 003197

Exhibit A

* REVISED TO CHANGE TO INSTALL UPS--UNINTERRUPTED POWER SUPPLY.

a:0518801.017
HH/D4

TRINTEX CONFIDENTIAL

LONG RANGE PLAN COMPARISON

USAGE	LRP MID '88	HARTFORD, PANEL CCS, FOUNDING (WE 6/25)	HARTFORD, PANEL CCS, FOUNDING (WE 6/18)
MINUTES/ALL HH/DAY	13.9	5.8	7.4
LEADER ADS/ALL HH/DAY	14.4	6.1	7.7
SESSIONS/ALL HH/WEEK	9.0	2.5	2.8
MINUTES/SESSION	10.7	16.6	18.1
MEMBERS PER HH	2.3	1.6	1.6

TRANSACTIONS		JAN - MAY '88	MAY '88	APR '88
LEADER AD FOLLOW THROUGH	10.0%		3.1%*	3.2%*
ORDERS/ALL HH (ANNUALIZED)	2.0	1.9	1.6	4.1
AVG. ORDER SIZE	\$50.00	\$33.41	\$34.26	\$31.50
SALES/ALL HH (ANNUALIZED)	\$100.00	\$63.48	\$56.19	\$129.15
INQUIRIES/ALL HH	16	30	34	51

* INCLUDES ALL MEMBERSHIPS; PERCENTAGE FOLLOW THROUGH IS UNDERSTATED
SINCE RECEPTION SYSTEM 6.0 IS REQUIRED TO ACCURATELY COLLECT DATA.

PRODIGY CONFIDENTIAL

SBC 003198

Exhibit A

Important Dates

6/22	8 Hour Outage
6/10	Newsletter
6/8	Sign On, Cash In Postcard
5/9 – 5/23	Phone Survey (227 Founding HH's)
5/22	Commercial Mail (REI, Sears, JC Penney)
5/13 – 16	SOS "Rain Check" (180 Founding HH's)
5/16	Newsletter
5/1	Sign On, Cash In Begins
4/27 & 28	Atlanta Focus Groups
4/25 & 26	San Francisco Focus Groups
4/22	Sign On, Cash In Postcard
4/18 & 20	Hartford & CCS Focus Groups
4/8 – 4/11	Shower of Savings
4/5	Focus Group Letters
4/1	Shower of Savings Glossy
3/30	6.0 Mailed To Hartford & CCS
3/29	6.0 Mailed To Panel
3/15 & 17	Panel Focus Groups
3/3	Newsletter
3/3, 4 & 5	Telephone Calls To 35 HH's (Panel & Hartford)
2/17	CCS Focus Groups
2/10 & 11	Panel Focus Groups
2/3	CCS Focus Groups
2/3	Elections Live
2/1	Newsletter
1/25	Newsletter
1/25	Valentine's Special Live
1/20	Olympics Special Live
1/18 & 19	Hartford Work Sessions
12/23	Newsletter
12/21	Carmen Sandiego Live
12/15	Dow Jones Live
12/10	Hours 6am – 12am EST
12/9 & 10	Panel Focus Groups
12/3	Hartford Focus Groups
11/24	Newsletter
11/16	Shopping
10/1	Start 10am – 12am EST

SBC 003199

Exhibit A

ENROLLMENT BY USER TYPE AS OF 6/25/88

	HOUSEHOLDS	MEMBERS	MEMBERS/ HOUSEHOLDS
HARTFORD PARTNER TESTERS	54	109	2.0
PANEL TESTERS (ATL., S.F.)	106	163	1.5
CT. COMPUTER SOCIETY (CCS)	49	95	1.9
FOUNDING MEMBERS (ATL., S.F., HTF)	2,364	3,647	1.5
TOTAL	2,573	4,014	1.6

APPLICATION	MEMBERS
MHT	51
PIE	95
CBT/BNE	50

PRODIGY CONFIDENTIAL

SBC 003200

Exhibit A

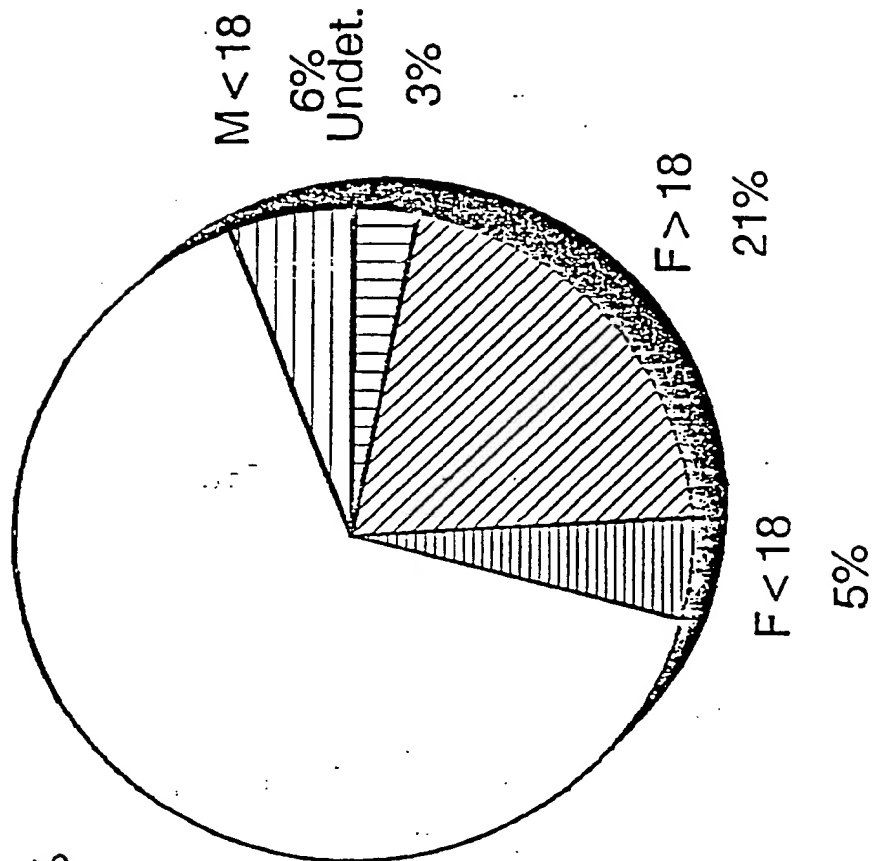
Founding Members

As of May 31 1988

(2595)

M > 18

65%



Male - 71

Female - 26

Undet. - 3

Exhibit A

SBC 003201

Apr/May Founding Members

Daily Vs. Weekly

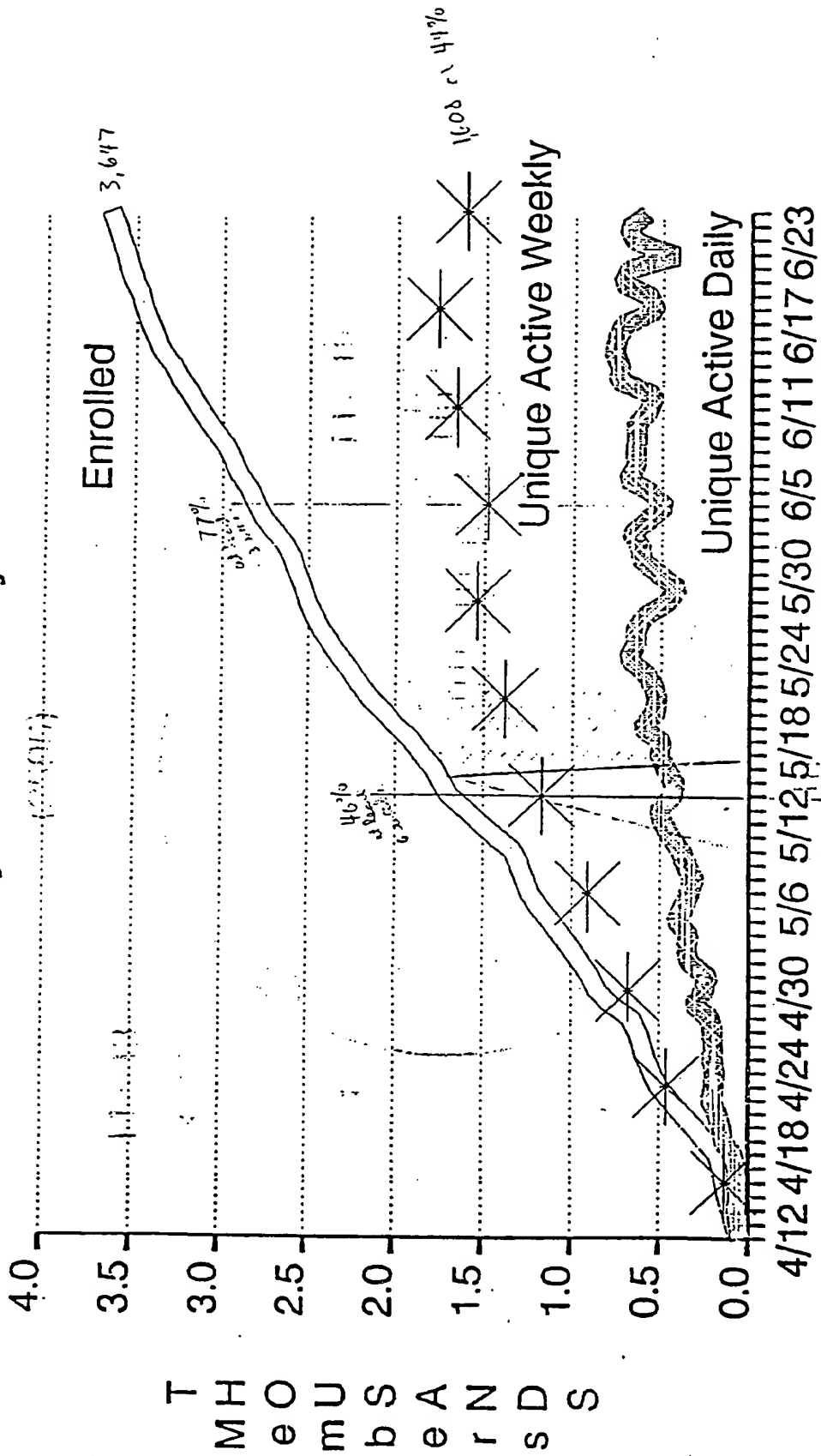


Exhibit A

SBC 003202

Founding Memberships Frequency of Access (May 1988)

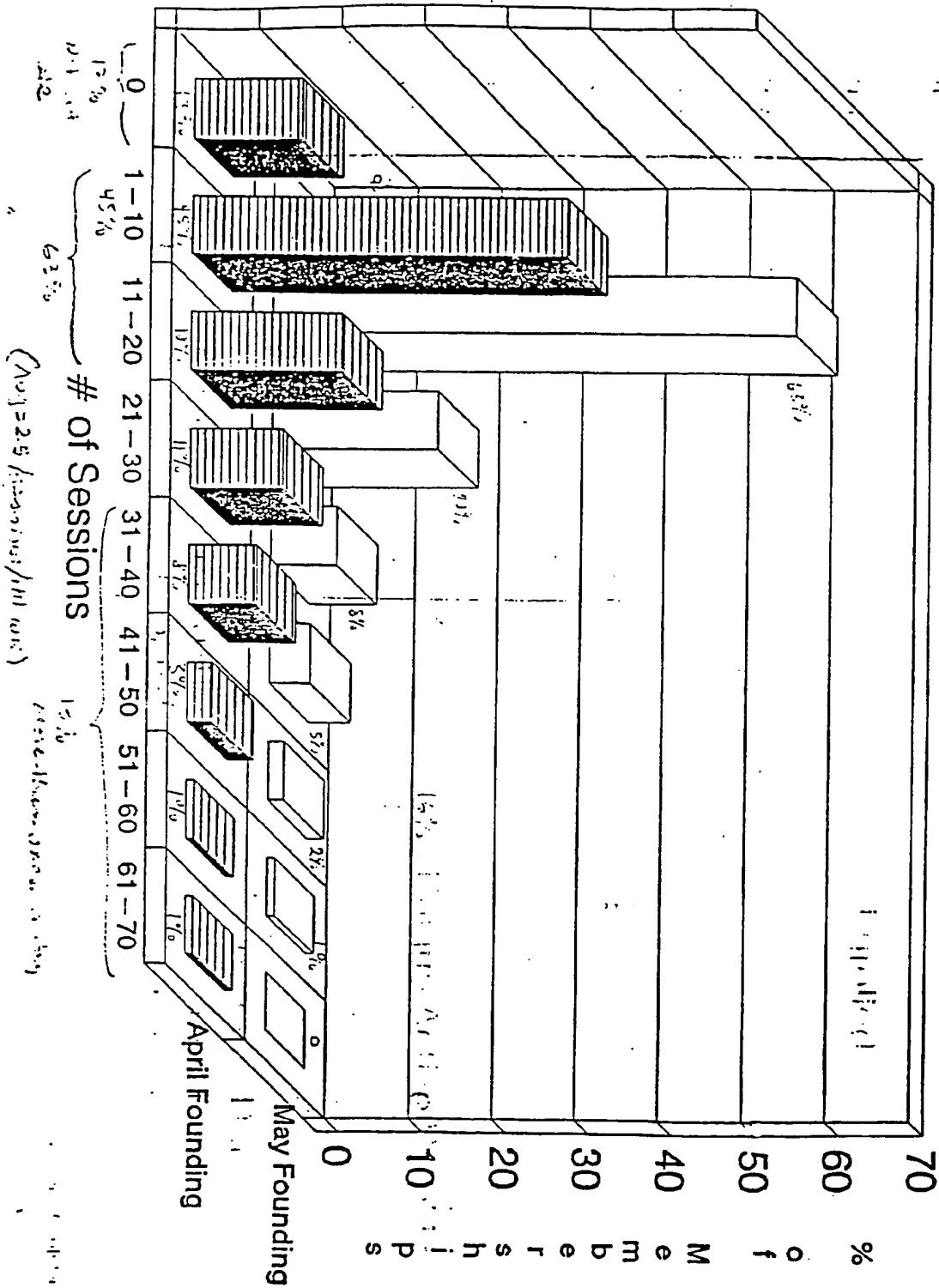


Exhibit A

History of Members Active Members Entry of Active Members

(May 1988)

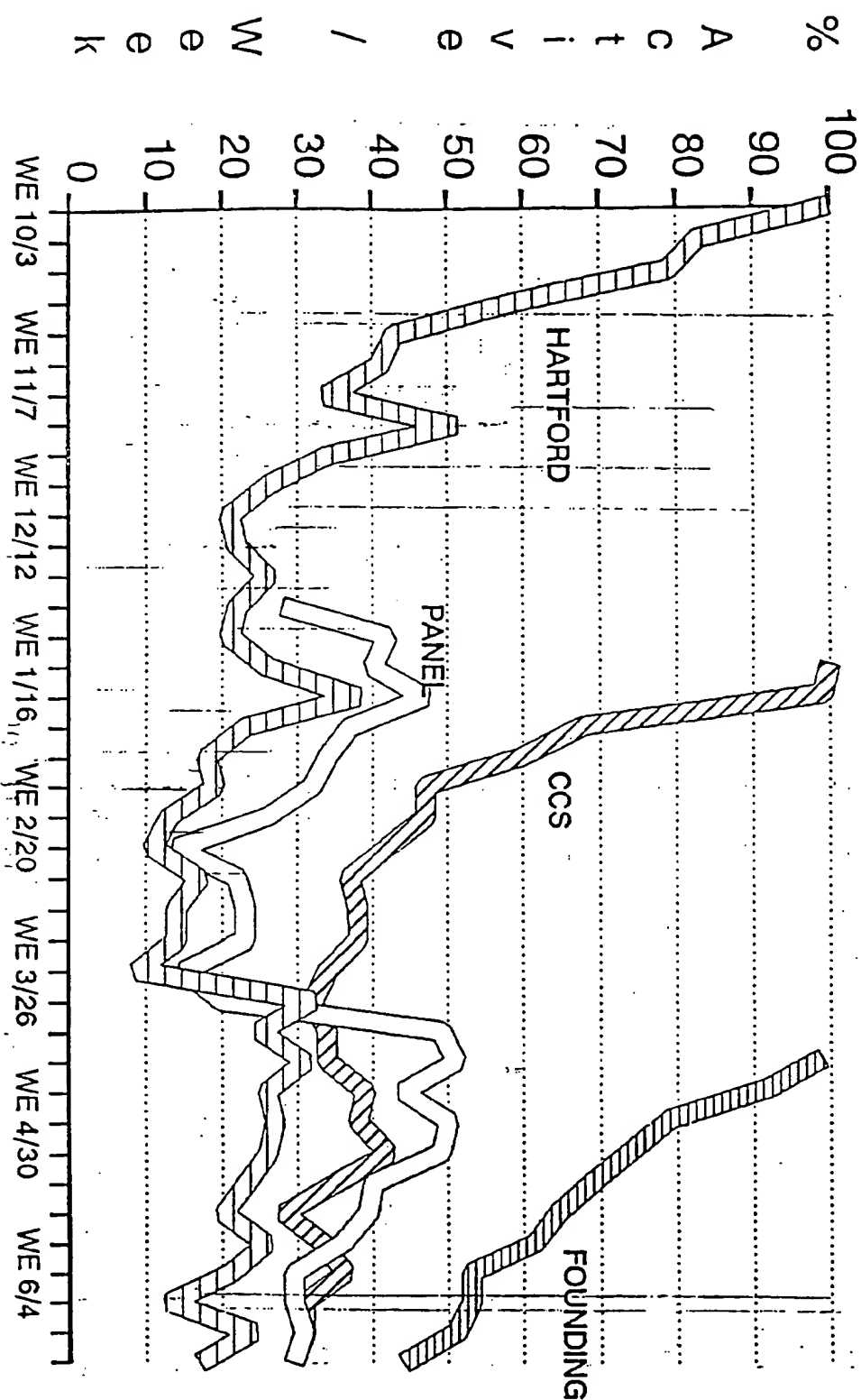


Exhibit A

SBC 003204

Enrolled Female Usage % of Active Members

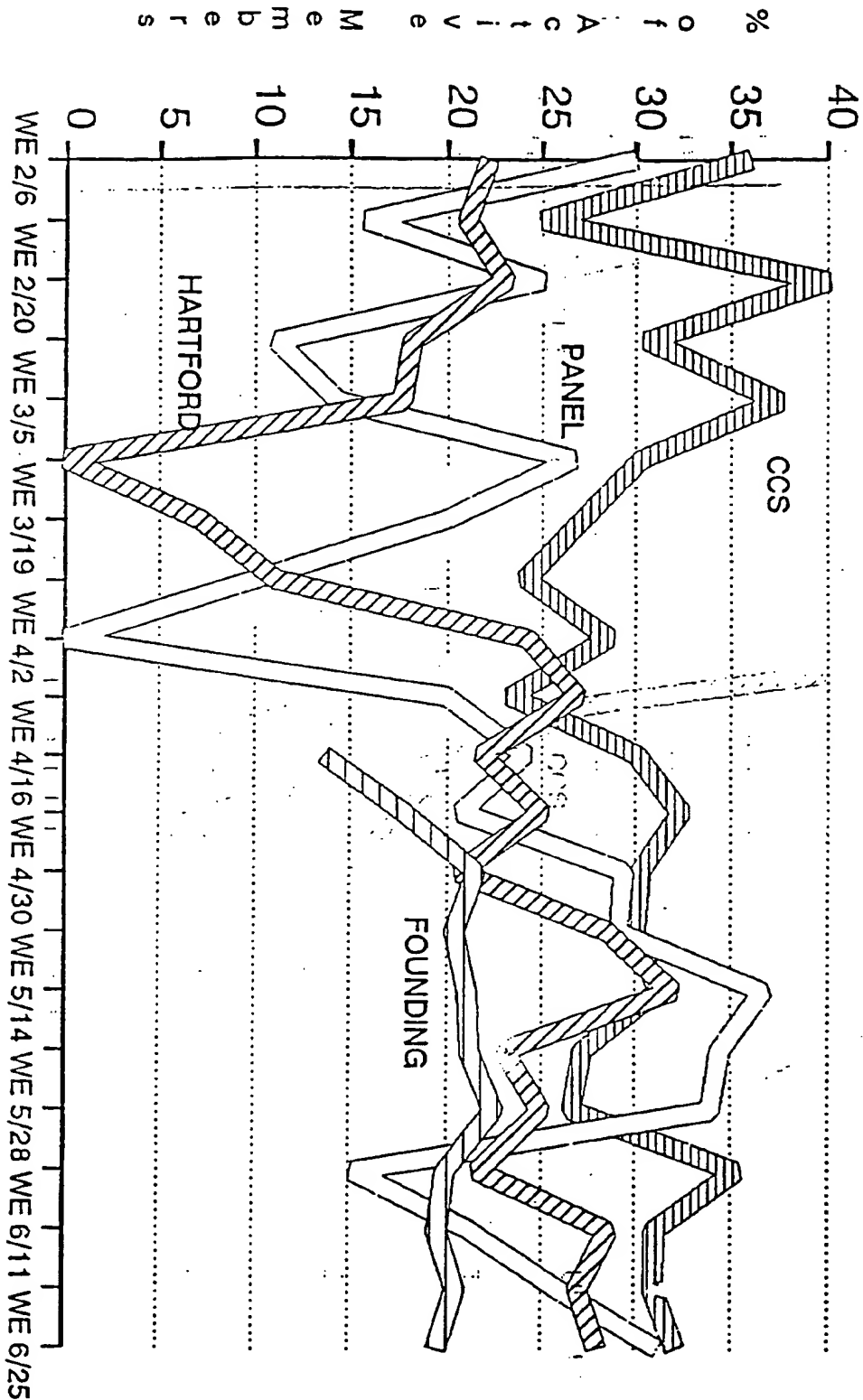


Exhibit A

SBC 003205

Frequency of Sessions in Week

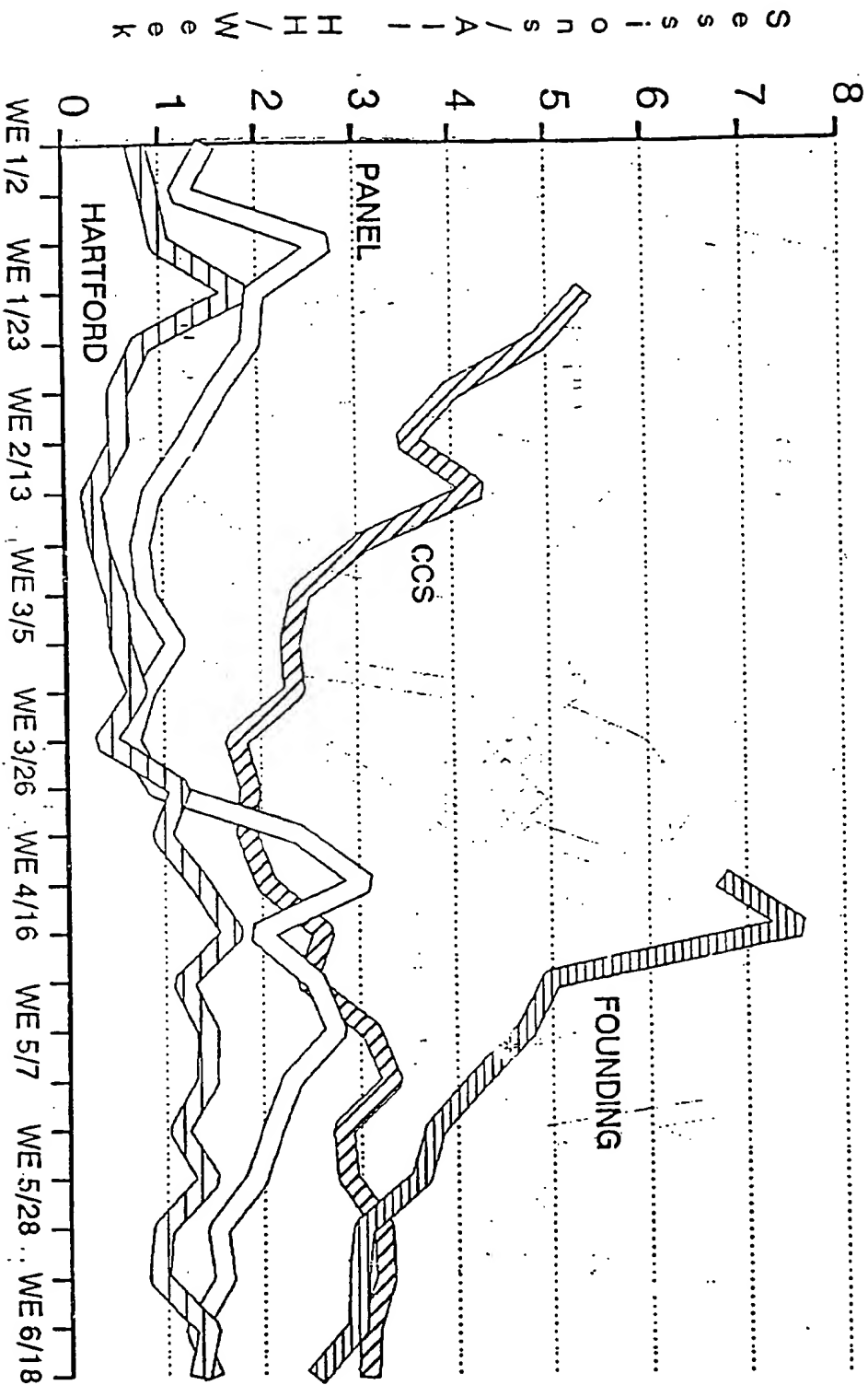
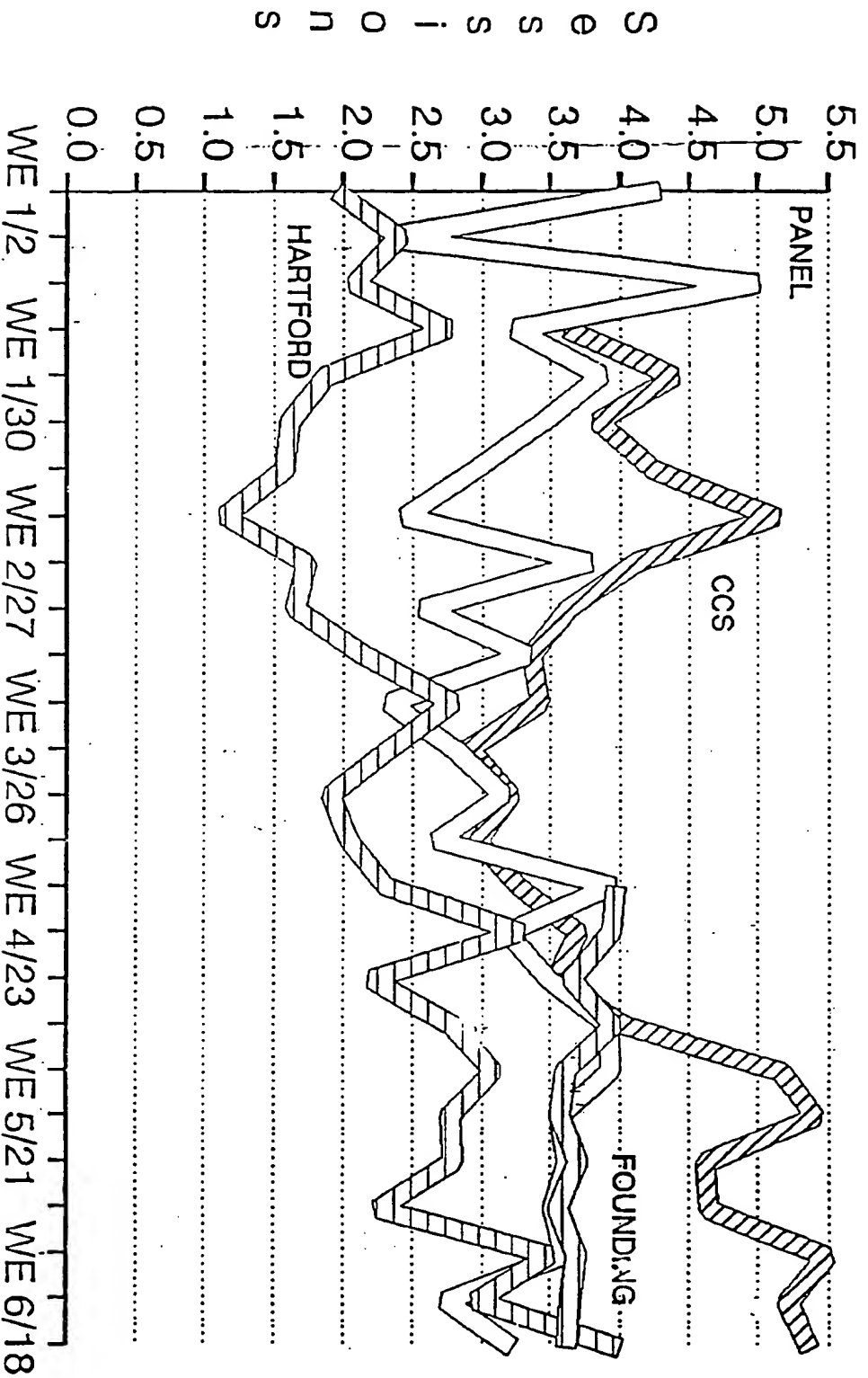


Exhibit A

SBC 003206

Avg. Sessions Per Active Member Weekly



SBC 003207

Exhibit A

Avg. Session Length

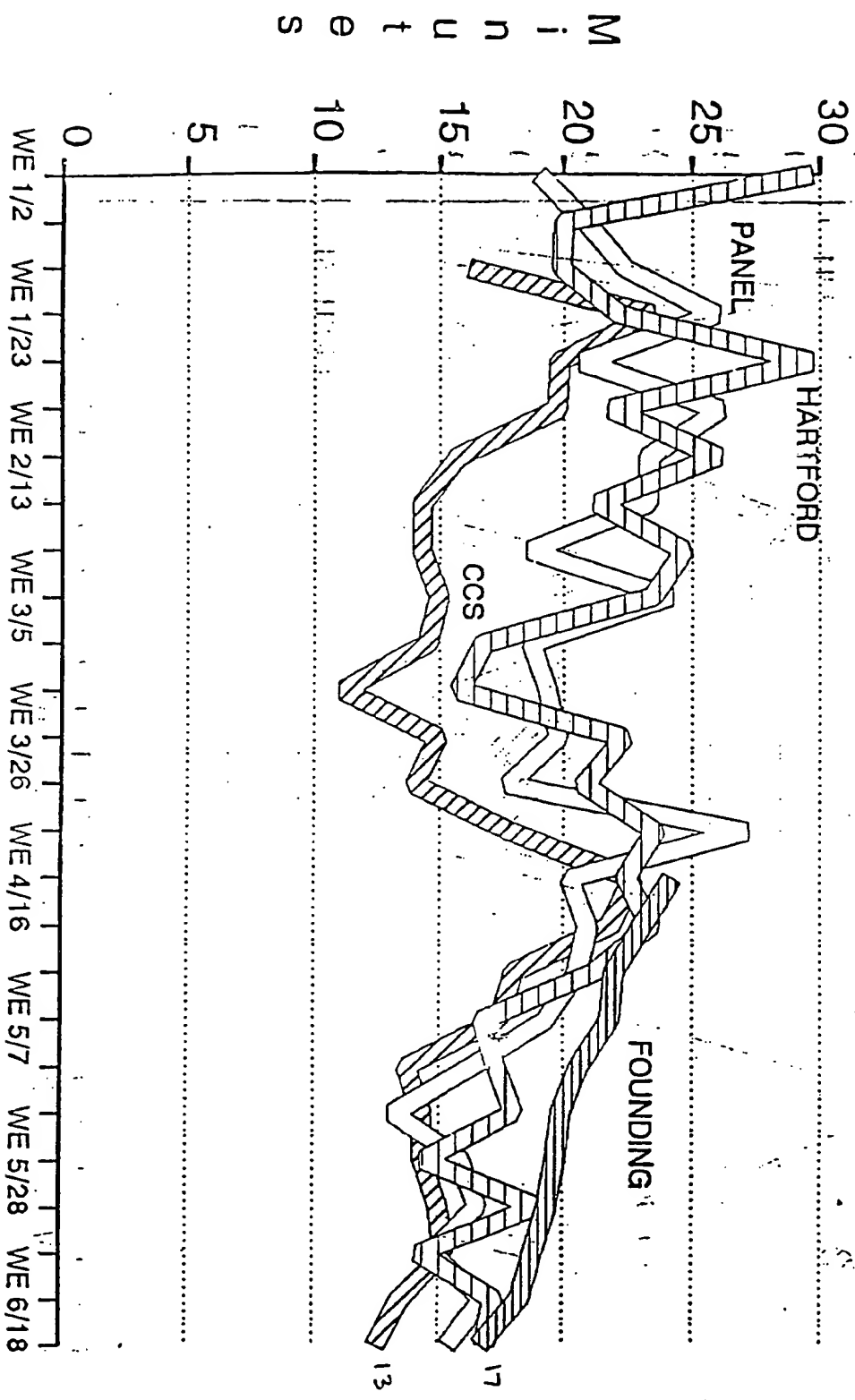


Exhibit A

SBC 003208

Founding Members Session Length

(May 1988)

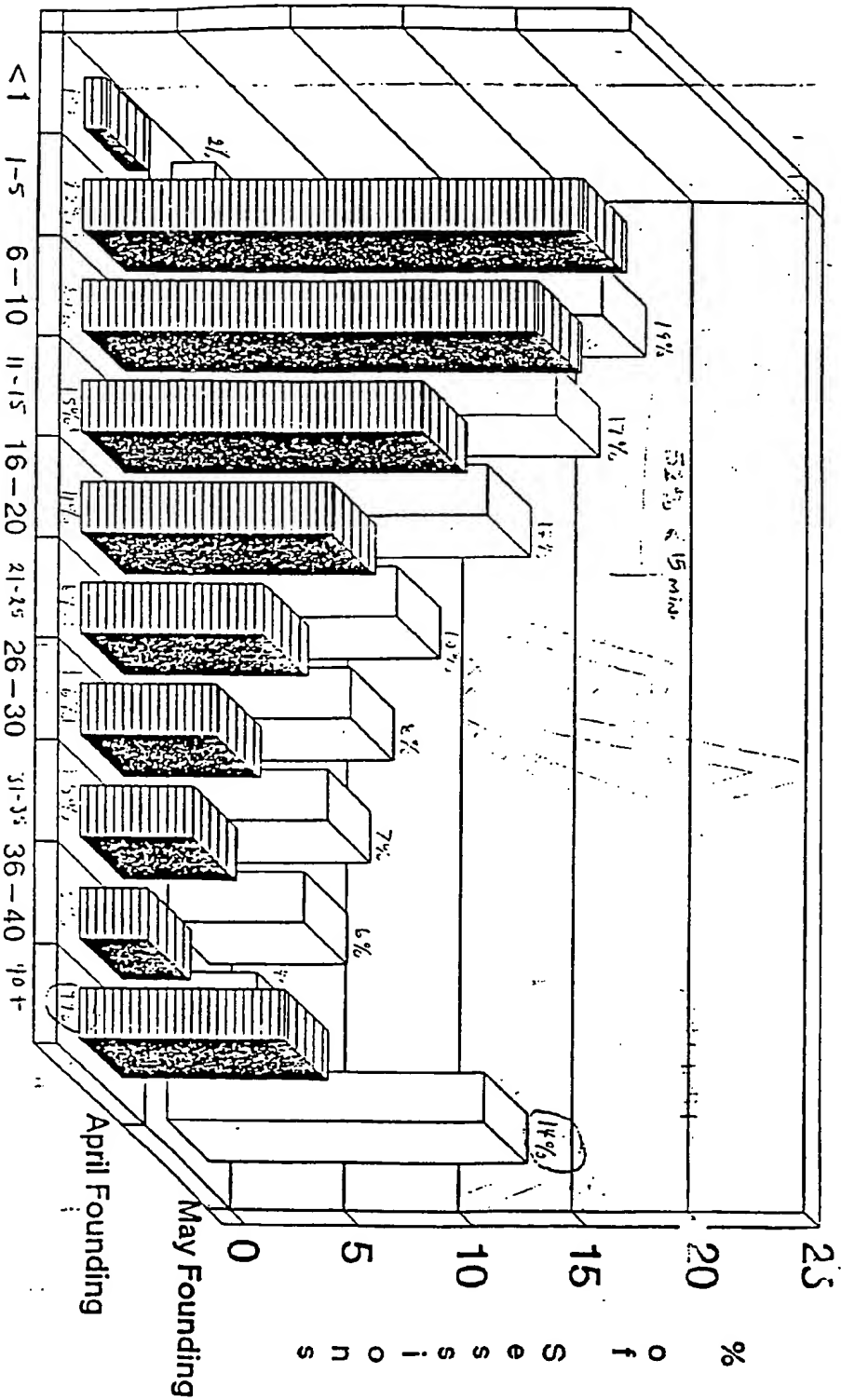


Exhibit A

SBC 003209

Avg. Daily Usage Per Active Member

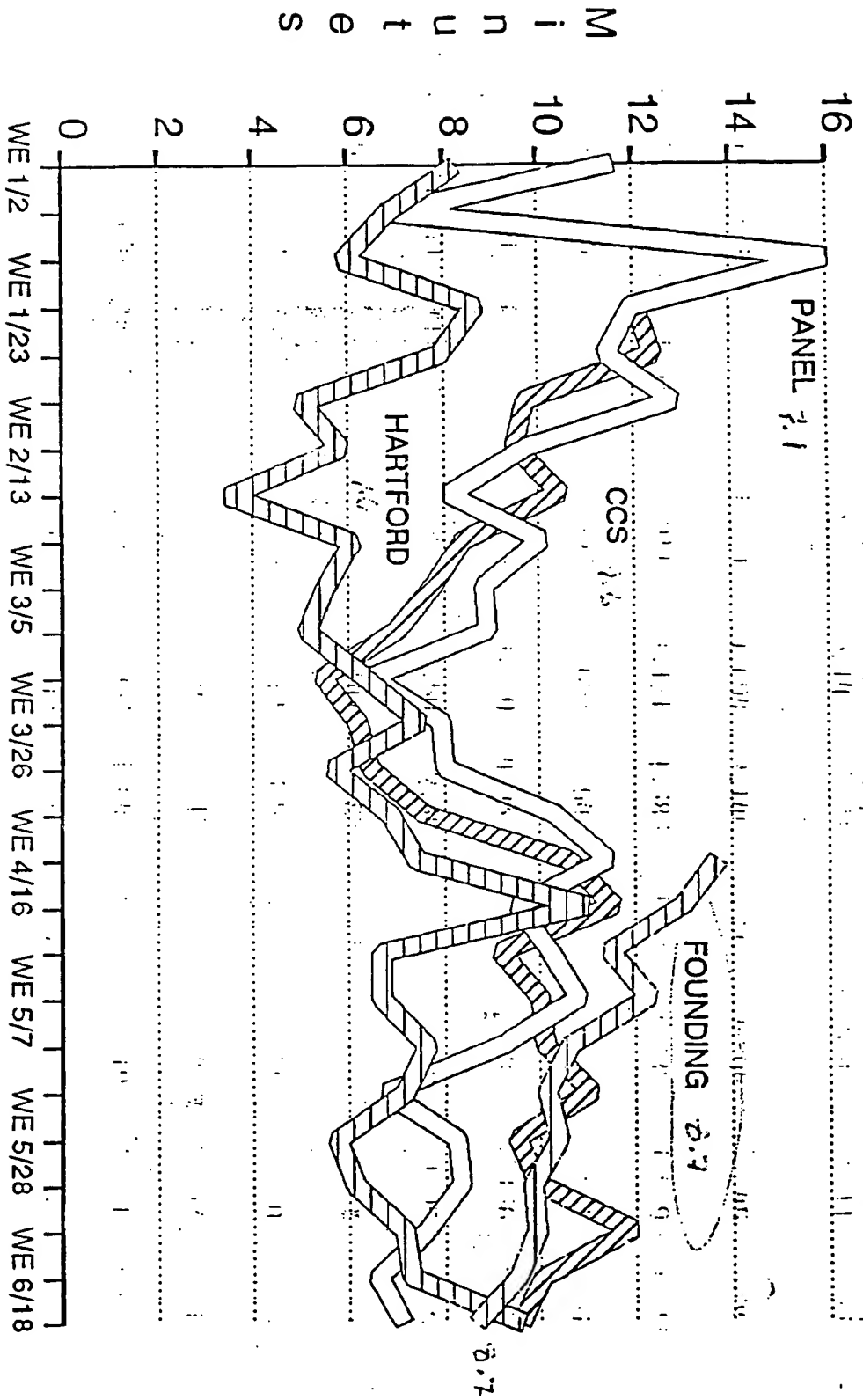


Exhibit A

SBC 003210

Daily Usage / All HH's

SBC 003211

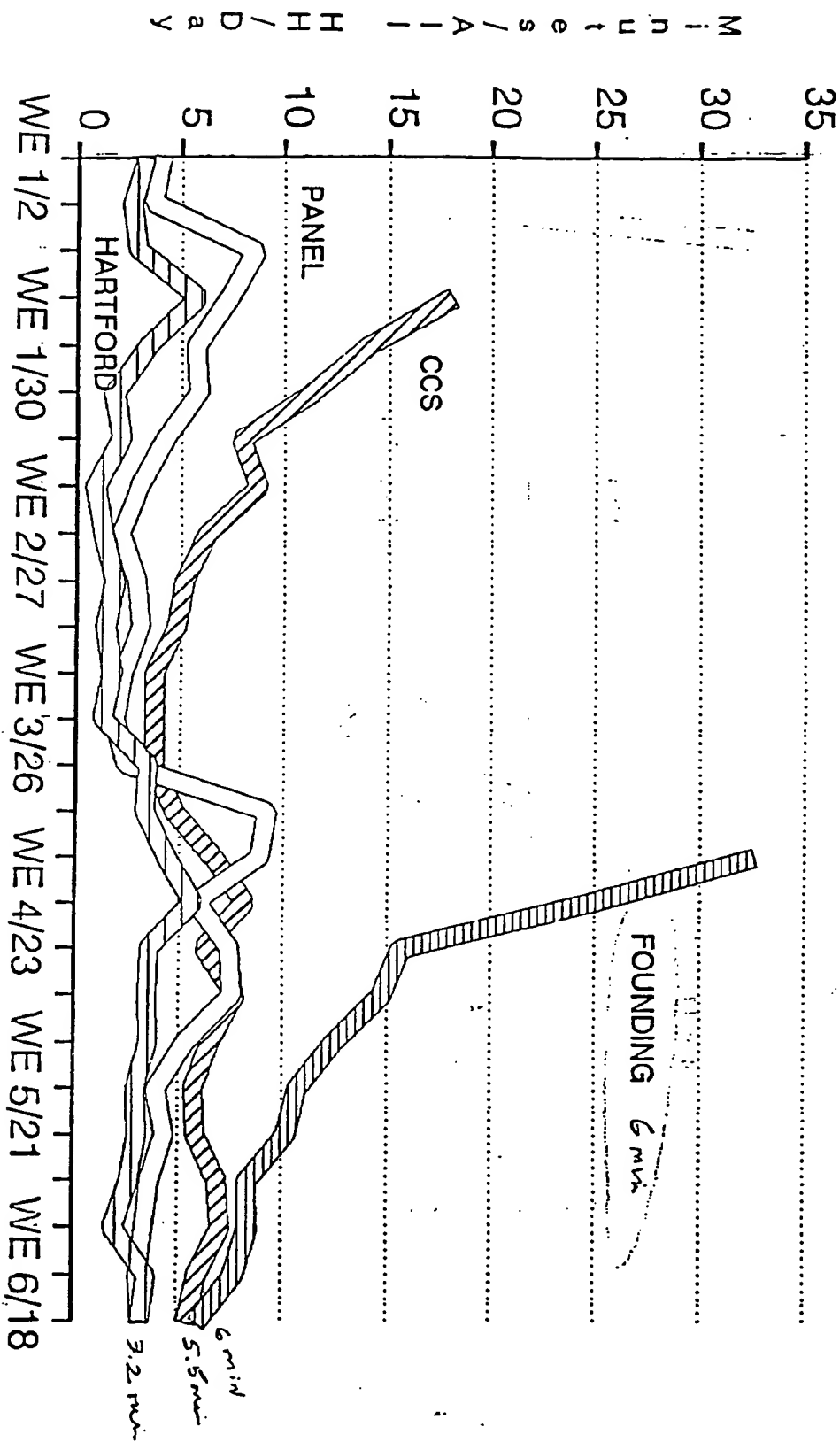
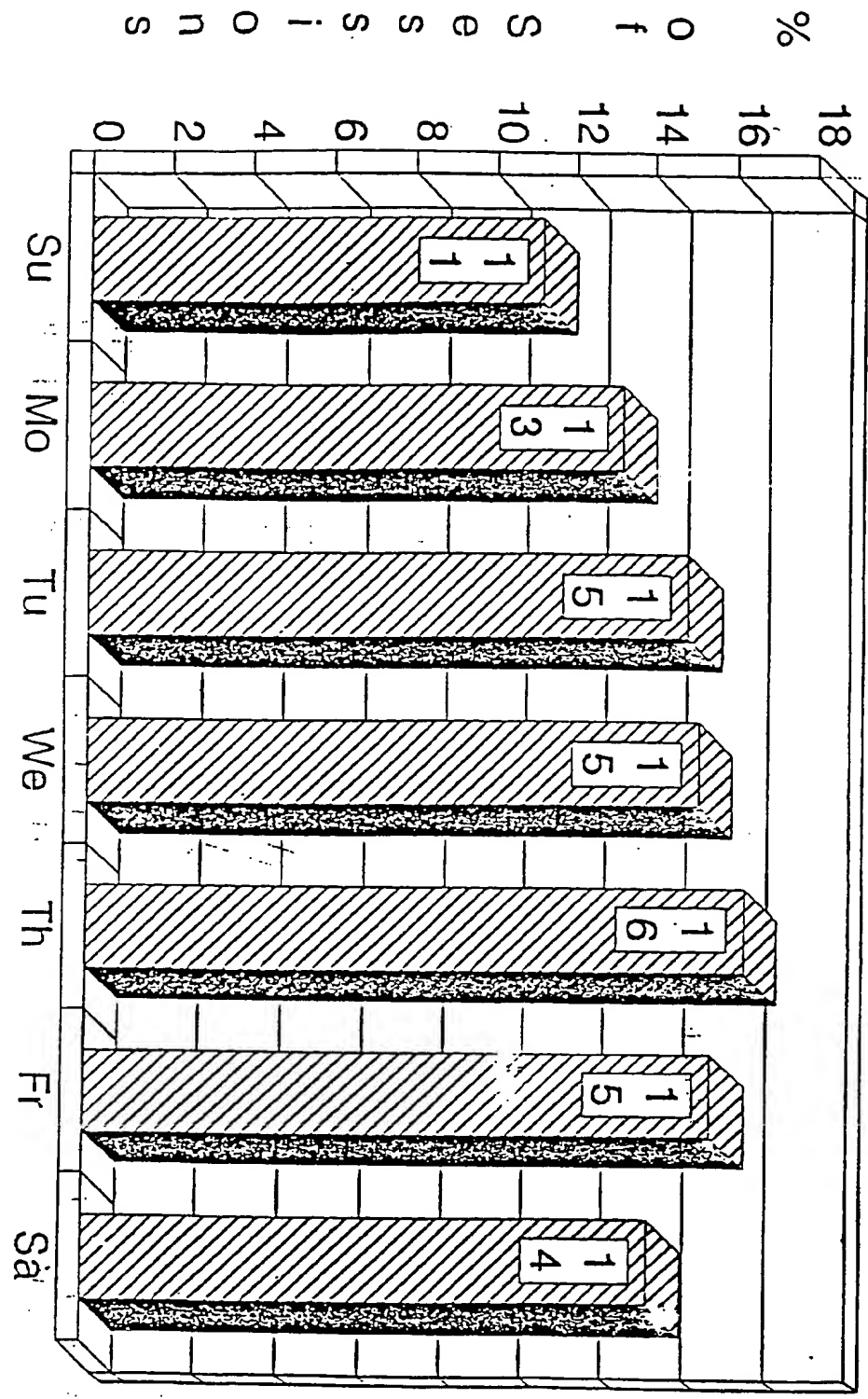


Exhibit A

LRP - Mid '88 - 13.9
YE '88 - 17.0

TRIINTEX CONFIDENTIAL

May 1988 Founding Members



SBC 003212

Exhibit A

Day of Week

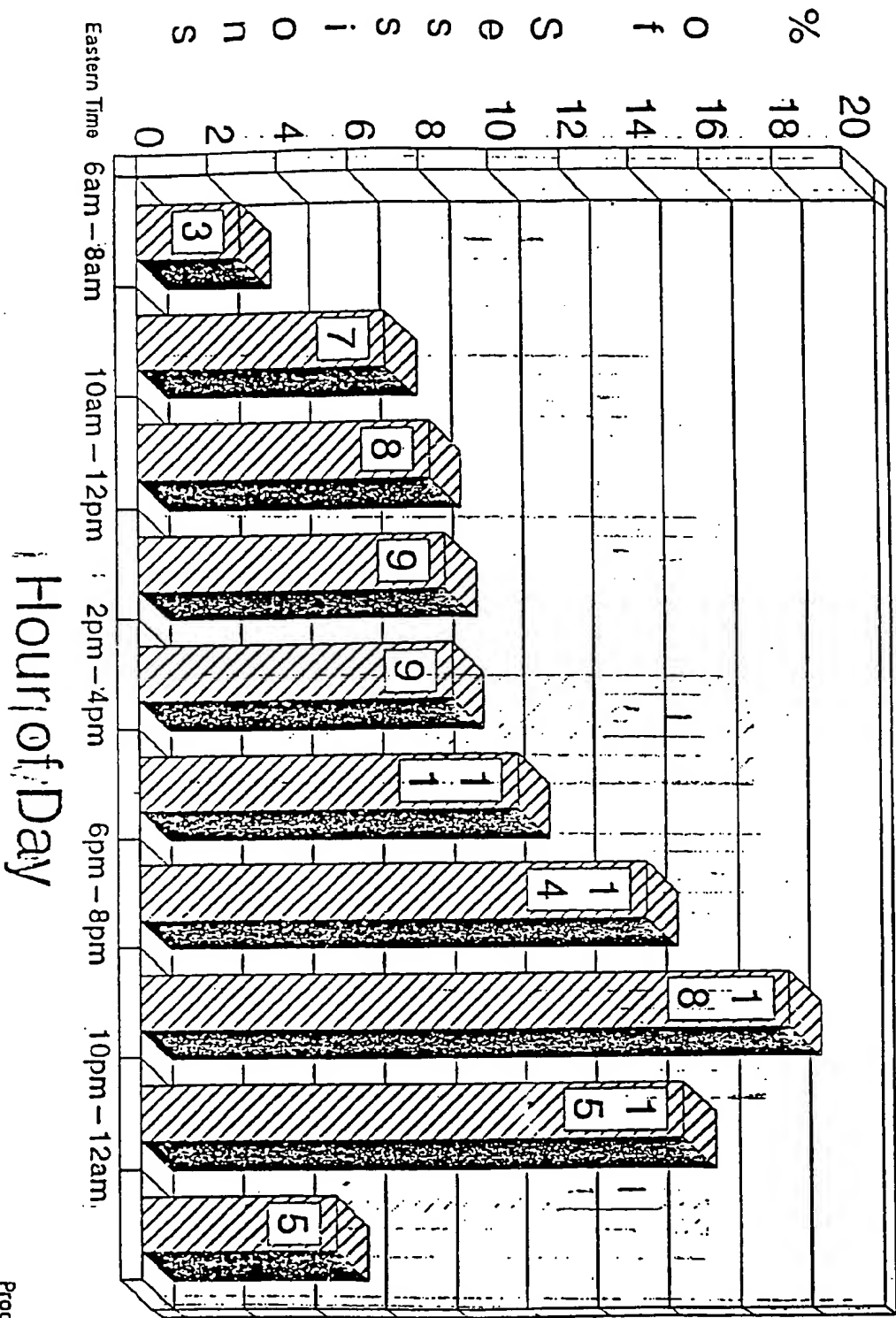
provided to ensure ongoing adherence to the ethical

Prodigy Confidential

May 1988

Founding Members

*Hours of Day
Location of Members
Specified by*



Prodigy Confidential

SBC 003213

Exhibit A

FOUNDING MEMBERS

UNIQUE MEMBERS REACHED BY CATEGORY

	6/19-6/25		6/12-6/18	
	UNIQUE MEMBERS REACHED	% OF ACTIVE MEMBERS	UNIQUE MEMBERS REACHED	% OF ACTIVE MEMBERS
WEATHER	1,240	77%	1,393	79%
NEWS	1,134	71%	1,287	73%
EXPERTS	1,090	68%	1,217	69%
SHOPPING (40)	977	61%	1,179	67%
MESSAGING	977	61%	1,092	62%
BUSINESS	870	54%	956	54%
PERSONAL INVESTING	859	53%	916	52%
FEATURES	832	52%	968	55%
SPORTS	744	46%	801	45%
HOUSE OF FUN	711	44%	928	53%
ADVERTISING (10)	338	21%	384	22%
BANKING/FINANCIAL (16)	336	21%	476	27%
TRAVEL (5)	193	12%	287	16%
TOTAL ACTIVE MEMBERS	1,608	100%	1,766	100%
TOTAL ENROLLED MEMBERS	3,647	NA	3,462	NA

PRODIGY CONFIDENTIAL

SBC 003214

Exhibit A

SIGN ON, CASH IN SM GAME

WHAT IT IS:

- GAME TO STIMULATE USAGE
- ELIGIBLE: ~~FOUNDING MEMBERS~~
HARTFORD, PANEL, PARTNER AND C.C.S. TESTERS

- PHASE I RESULTS MAY 1 - JUNE 15:
36 WINNERS (26% OF IDS LISTED)
30 FOUNDING MEMBERS
6 TESTER MEMBERS
ACTIVE MEMBERS LOOKING AT THE GAME ONE OR MORE TIMES / WEEK:
OVER 75% OF FOUNDING MEMBERS
OVER 80% OF TESTER MEMBERS

PHASE II: JUNE 16 - JULY 15

DAILY WINNERS MAY CHOOSE \$100 OR EGA CARD
GRAND PRIZE DRAWING AMONG ALL WINNERS:
4-DAY CRUISE FOR 2 ON NORWEGIAN CRUISE LINE
PLUS \$1,000 TRAVEL ALLOWANCE

PHASE II RESULTS JUNE 16 - JUNE 26:

9 WINNERS (27% OF IDS LISTED)

8 FOUNDING MEMBERS

1 TESTER MEMBER

2 OF 9 REQUESTED EGA

SBC 003215

EXECPR5

TRINTEX CONFIDENTIAL

5/17/88

Exhibit A

SIGN ON, CASH INSM GAME RESULTS: FOUNDING MEMBERS

	5/1- 5/7	5/8- 5/14	5/15- 5/21	5/22- 5/28	5/29- 6/4	6/5- 6/11	6/12- 6/18
ENROLLED MEMBERS	1,234	1,694	2,146	2,509	2,804	3,145	3,462
ACTIVE MEMBERS ON SERVICE	911	1,171	1,383	1,541	1,486	1,659	1,766
% ACTIVE MEMBERS	74%	69%	64%	61%	53%	53%	51%
NUMBER SESSIONS	3,596	4,230	4,937	5,709	5,287	6,136	6,454
SESSIONS/ENROLLED MEMBER	2.91	2.50	2.30	2.28	1.89	1.95	1.86
% CHANGE	1%	-14%	-8%	-1%	-17%	4%	-4%
SESSIONS/ACTIVE MEMBER	3.95	3.61	3.57	3.70	3.56	3.70	3.65
% CHANGE	8%	-9%	-1%	4%	-4%	4%	-1%
MEMBERS VIEWING GAME	747	952	1,042	1,164	1,119	1,321	1,425
% OF ACTIVE	82%	81%	75%	76%	75%	80%	81%

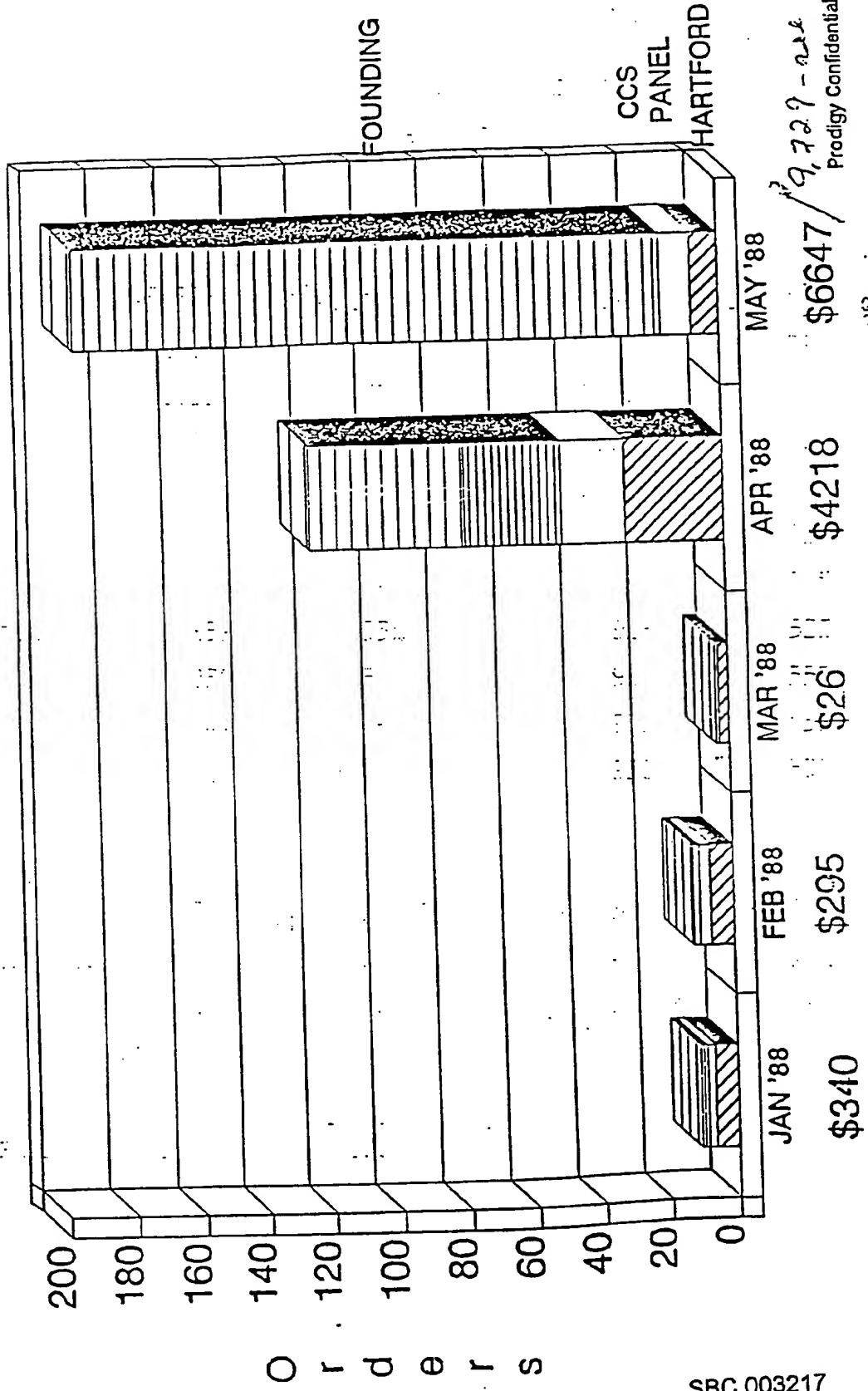
PRODIGY CONFIDENTIAL

SBC 003216

Exhibit A

Shopping Orders

Hartford, Panel, CCS, Founding



9,729 - 222
Prodigy Confidential
167 cases
CA 222
Comma 6 10.12.8

50.3.

MAY SHOPPING ACTIVITY
(see orders)

CLIENT	SALES
SEARS	\$3,965.36
JC PENNEY	\$1,642.79
NEIMAN MARCUS (avail 3/20)	\$1,539.50
REI	\$436.90
DARTEK	\$310.50
FUJI	\$234.85
COMPUTER EXPRESS	\$192.67
CHANEL	\$190.00
KNOWLEDGE COLLECTION	\$181.85
RELIABLE	\$163.75
DISNEY	\$138.40
RIGHT START	\$133.75
FORD MOTOR COMPANY	\$94.40
SPINNAKER SOFTWARE	\$89.90
WOODEN SPOON	\$73.25
FLORSHEIM	\$72.95
CURRENT	\$61.65
NESTLE	\$52.00
CHANELMARK	\$49.95
IBM	\$39.75
PENNACO	\$31.50
DATA SET CABLE	\$18.50
SPIEGEL	\$15.00
TOTAL	\$9,729.17

PRODIGY CONFIDENTIAL

SBC 003218

Exhibit A

FATHER'S DAY COMMERCIAL MAIL

	REI	JC PENNEY	SEARS
WE 5/7	---	\$565	\$590
WE 5/14	---	\$150	\$531
WE 5/21	---	\$330	\$939

5/22 COMMERCIAL MAIL SENT

WE 5/28	<u>\$94</u>	<u>\$576</u>	<u>\$1,025</u>
THRU 5/31	<u>\$343</u>	<u>\$22</u>	<u>\$881</u>

RIGHT STAMP

FOUR NOTION COME

SEVEN NOTION COME

FOUR NOTION

SEVEN NOTION

FOUR NOTION

SEVEN NOTION

FOUR NOTION

SEVEN NOTION

FOUR NOTION

SEVEN NOTION

PRODIGY CONFIDENTIAL

SBC 003219

Exhibit A

RECEPTION SYSTEM RELEASE SCHEDULE

RECEPTION SYSTEM 6.2

S/I & SURROGATE HARDWARE TO SAT	4/29
ALL SOFTWARE TO SAT (S/I, SURROGATE, R/S)	5/31
PRE-RELEASE TEST 6.2.0 MS-DOS	6/02 ONGOING
S/I SURROGATE TESTING	7/07
FUNCTIONAL AND APPLICATION REGRESSION TESTS	7/27
R/S FINAL PACKAGING AND SAT EXIT	8/05
PRODUCTION AND SHIP TO FOSDICK	8/22
R/S 6.2 ON SERVICE - FOUNDING AND CHARTER MEMBERS	9/01
SHIP TO RETAILERS	9/23
START RETAIL SALES	10/01

SBC 003220

Exhibit B

BANKING APPLICATIONS

BNE/CBT On – service 6/16/88
Account Balance
Customer Service
Limited Pilot

C&S MHT Replication – target 9/30/88

TRUSTCORP IBM based Service Provider
High level design in progress
Detailed planning in progress
2Q89 Target

CONTRACTS PENDING

- o Comerica
- o National Bank of Detroit
- o Citibank
- o Sovran
- o Bank of America

SBC 003221

PERSHING – PHASE1

- Entered S&AT on schedule – 6/10
- S&AT testing in progress – exit date 7/29
- Controlled user test/rehearsal
begins 8/88 with real trading
- On – service 8/31 – Company
milestone

SBC 003222

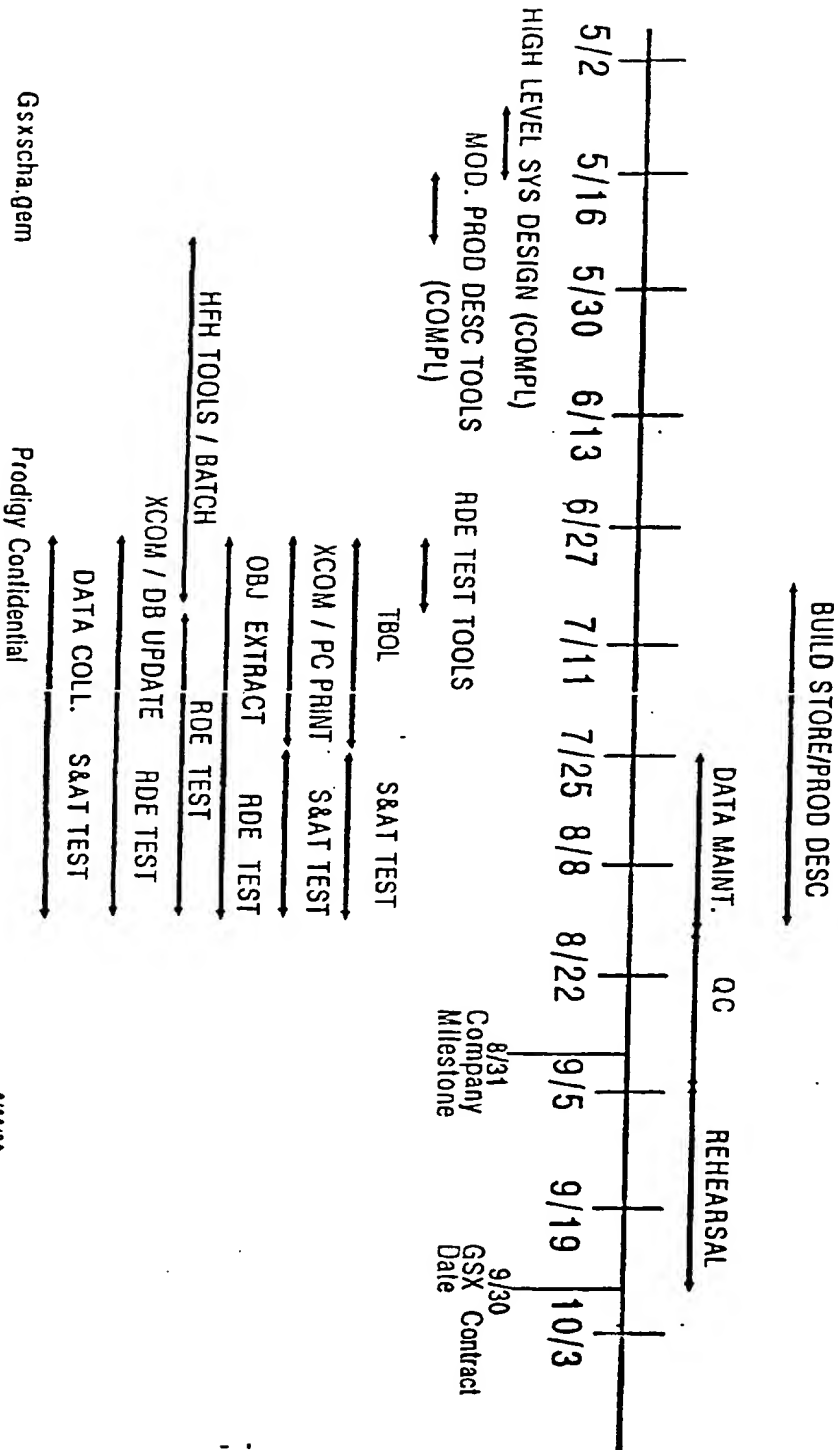
Exhibit B

KROGER

- Kroger Store, tools, programs – in production
- Rehearsal underway
- First production order will be processed
on June 30
- Regular commercial delivery – July 5

SBC 003223

GROCERY EXPRESS DEVELOPMENT/IMPLEMENTATION SCHEDULE



SBC 003224

AMERICAN AIRLINES – PHASE 1

- S&AT Testing Exit date – 6/24/88
- Rehearsal started – 6/25/88
- On – service – 7/15/88
- On schedule for company milestone

SBC 003225

QUICK MENU PHASE 1

WOODEN SPOON 5/31/88

CEO 6/27/88

QUICK GUIDE 7/30/88
PATH
REVIEW

JAR 5/17/88

SBC 003226

Exhibit B

ADDITIONAL APPLICATIONS

ON SERVICE IN JULY

- 0 DOW JONES NEWS
- 0 COMPUTER EXPRESS
- 0 BULLETIN BOARDS
- 0 CONSUMER REPORTS RATINGS

SBC 003227

Exhibit B

MAJOR COMPONENTS OF GROCERY SHOPPING

- 0 SHOP THE AISLES
- 0 PERSONAL GROCERY LIST
- 0 YOUR ORDER
- 0 TUTORIAL
- 0 SUGGESTION BOX

SBC 003228

A:0627801.057
DS-2

Exhibit C

KEY FEATURES FOR THE USER

0 PRODUCT MIX AND SELECTION

- LIVE SERVICE DATA BASE: 3,359 ITEMS
- NUMBER OF AISLES: 35
- PICK WINDOW COMMENTS

0 ON-LINE INSTRUCTIONS

- TUTORIAL (DEMO)
- PAGE/FIELD LEVEL HELP
- POWER TIPS
- STORE INFORMATION

ON-PAPER INSTRUCTIONS

- FACT SHEET: INSERT TO NEWSLETTER

0 USER SPECIFIED DELIVERY OPTIONS

- DELIVERY AREAS
- DAY AND TIMES
- SPECIAL INSTRUCTIONS WINDOW

0 USER SURVEY/FEEDBACK

- Q & A SET (ON-LINE)
- INTERVIEWS

SBC 003229

KEY FEATURES FOR THE CLIENT

0 PC ORDER PRINT SYSTEM

- PAYMENT REPORT
- PICKING REPORT
- CUSTOMER REPORT

0 CUSTOMER SERVICE

- MULTI-POINT MESSAGING

0 ADVERTISING

- BILLBOARD ADS
- "SPECIALS" APPLICATION COMMANDS

USER SURVEYS

- Q & A SET

SBC 003230

A:0627801.057
DS-2

Exhibit C

PLS AVAILABILITY

	<u>4087</u>	<u>1988</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE 1-27</u>
BLOOMFIELD	93.4%	97.2%	97.4%	98.9%	96.2%
SOUTHINGTON	97.0%	96.7%	98.2%	99.2%	97.2%
WHITE PLAINS	97.0%	97.3%	97.6%	98.9%	97.0%
NORWALK			97.6%	99.1%	97.2%
<u>ATLANTA</u>			<u>96.8%</u>	<u>94.2%</u>	<u>97.0%</u>
BERKELEY			96.7%	98.6%	97.2%
PLEASANTON			99.7%	98.7%	97.5%
PALO ALTO			97.3%	98.5%	96.9%
SAN FRANCISCO (SPEAR ST.)			98.9%	98.6%	96.8%
AVERAGE	95.8%	97.1%	97.8%	98.1%	97.0%

a:05028801.025

Prodigy CONFIDENTIAL

SBC 003231

Exhibit D

HOST OUTAGES

6/3 REFRESH LATE (CICS SOFTWARE) 00:50

SYSTEM PROGRAMMER CHANGED PROGRAM

6/4 REFRESH LATE (PODM SOFTWARE) 01:30

OPERATOR CIRCUMVENTION PROCEDURES IN PLACE
DEVELOPMENT FIX IN S&AT (BEATTIE)

6/9 HOST HARDWARE (DATA SWITCH) 00:15

VENDOR SERVICE PROCEDURE AMENDED
MANDATORY PRE-INSTALL CHECK ADDED

6/18 HOST SOFTWARE (TINA) 00:10

NETWORK AUTO START DID NOT FUNCTION
PROGRAM CHANGE TO CORRECT

6/21 REFRESH LATE (PRODUCER SOFTWARE - TTOPS) 02:40

CHANGE TO PRODUCER SOFTWARE BACKED OUT
DEVELOPMENT FIX IN S&AT

6/22 RAISED FLOOR A/C FAILURE 06:25

- WEEKLY FILTER CHANGE FREQUENCY (WAS MONTHLY)
- IMPROVE EARLY WARNING SYSTEM MONITORING (3RD FLOOR)

6/23 OPERATOR ERROR - STOPPED PRODUCTION NETWORK 00:55

- INVESTIGATE AUTOMATED COMMAND FILTER (7/18)

6/27 HOST HARDWARE/SOFTWARE TPF CHANNEL CHECK 00:30

- UNDER INVESTIGATION

SBC 003232

FIELD TECHNICAL OPERATIONS

MARKET ENTRY REVIEW

JUNE 27, 1988

PLS'S UNDER CONSTRUCTION:

CURRENT STATUS

SAN JOSE

INSTALLATION STARTED

LA ADI:

0 SHERMAN OAKS

CONNECTIVITY ESTABLISHED

0 CHINO

CONNECTIVITY ESTABLISHED

0 WHITTIER

CONNECTIVITY ESTABLISHED

0 SAN PEDRO

CONNECTIVITY ESTABLISHED

0 EAGLE ROCK

INSTALLATION STARTED

0 IRVINE

INSTALLATION STARTED

0 ANAHEIM

CONSTRUCTION STARTED

0 THOUSAND OAKS

CONSTRUCTION STARTED

0 SAN DIEGO

CONSTRUCTION STARTED

0 INGLEWOOD

FX, SITE SELECTION

0 SANTA BARBARA

LEASE SIGNED, FX

SACRAMENTO ADI:

0 MODESTO

CONSTRUCTION STARTED

0 SACRAMENTO

CONSTRUCTION STARTED

SBC 003233

0:0421801.020
RRF/4

Prodigy Confidential

Exhibit D

FIELD TECHNICAL OPERATIONS

MARKET ENTRY REVIEW

JUNE 27, 1988

1989 ROLLOUT PLAN

CURRENT STATUS

ADI'S:

0	DETROIT(3)	LEASE NEGOTIATION
0	BOSTON (3)	LEASE NEGOTIATION
0	NEW YORK	
	- MANHATTAN, QUEENS	LEASE NEGOTIATION
	- NASSAU CO, NEW JERSEY (2)	SITE SELECTION
0	WASHINGTON, DC	SITE SELECTION
0	BALTIMORE	SITE SELECTION
0	PHILADELPHIA	NETWORK DESIGN
0	DENVER	SITE SELECTION
0	CLEVELAND	SITE SELECTION

SBC 003234

0:0421801.020
RRF/4

Prodigy Confidential

COMMERCIAL MARKETING

JUNE HIGHLIGHTS

AMA SPEECH

MORGAN STANLEY SPEECH

NEW PRICING, EFFECTIVE 7/1

APPLE COMPUTER

K-MART

COMPUTER EXPRESS DATABASE

CITIBANK, BANK OF AMERICA

NBD, COMERICA

SUPER/VALUE

KROGER: ATLANTA

DETROIT, DENVER, HOUSTON, DALLAS

OLYMPIC SAVINGS WEEK

SBC 003235

A:0628801.004

Exhibit E

PRODIGY CONFIDENTIAL

COMMERCIAL MARKETING

CONTRACT STATUS

AS OF 06/27/88

	<u>IN 1988</u>	<u>CUMULATIVE</u>
SALES PACKAGES	40	106
SPECIALTY APPLICATIONS	7	15
	<hr/>	<hr/>
TOTAL	47	121

CLIENTS 113

SBC 003236

A:06288PH2.CAG

Exhibit E

Prodigy Confidential

JUNE CONTRACTS

PACKAGES

- FINANCIAL SERVICES:
- ALLSTATE LIFE
 - DOW JONES NEWS RETRIEVAL
 - PRINCIPLE FINANCIAL
- NATIONAL MARKETING:
- APPLE COMPUTER
 - BRITANNICA SOFTWARE
- TRAVEL:
- ALAMO RENT-A-CAR
 - AMERICAN TRAVELER CATALOG
 - DISCOUNT TRAVEL INTERNATIONAL
 - EDWARDS & EDWARDS
 - SHERATON HOTELS

TOTAL = 10

SPECIALTY APPLICATIONS

- BANKING:
- COMERICA
 - NATIONAL BANK OF DETROIT

- GROCERY:
- NASH FINCH

TOTAL = 3

SBC 003237

A:06288PH2.CAG

Exhibit E

Prodigy Confidential

SPECIALTY APPLICATION CONTRACTS

AS OF 06/27/88

PROSPECTS

<u>BANKING</u>	-	BANK OF AMERICA	
		CITIBANK	
		SOVRAN	
			3
<u>GROCERY</u>	-	D'AGOSTINO/CONNECTICUT	
			1
<u>TRAVEL</u>	-	ORG DATABASE	
		COMP-U-CARD SERVICE PLUS	
		CRUISE-SCAN DATABASE	
			3
		TOTAL PROSPECTS	= 7

SBC 003238

A:06288PH2.CAG

Exhibit E

Prodigy Confidential

JULY PROSPECTS

PAGE 1 OF 2

PACKAGES

BANK MARKETING

- BANK OF AMERICA
- COMERICA
- SOVRAN

CATALOG/RETAIL

- EGGHEAD SOFTWARE
- K-MART
- SAKS
- TIME/LIFE BOOKS

FINANCIAL SERVICES

- BUSINESS WEEK
- DOW JONES/WALL ST. JOURNAL
- GEICO
- STANDARD & POORS
- U.S. POST OFFICE
- VALUE LINE

SBC 003239

A:06288PH2.CAG

Prodigy Confidential

Exhibit E

JULY PROSPECTS

PAGE 2 OF 2

NATIONAL

- BROOKTROUT TECHNOLOGY
- CAMPBELL SOUP
- CHLOROX
- ELECTRONIC ARTS
- HAYES
- KODAK
- MANNINGTON
- MIRIAM WEBSTER
- NEC INFO SYSTEMS

TRAVEL

- AMERICAN FLY-DRIVE TOURS
- SITMAR CRUISES
- UNITED VACATIONS

TOTAL

25

SBC 003240

A:06288PH2.CAG

Exhibit E

Prodigy Confidential

COMMERCIAL DESTINATION CATEGORIES

SHOPPING I

Travel

Pastimes

Boutiques

Clothing

Dept. Stores

Sports, Etc.

SHOPPING II

Your Home

Auto

PC Software

PC Products

Audio/Video

Photography

FINANCE

Banking

Insurance

Credit/Loan

Investments

SBC 003241

BANKING

A Leading Bank in Each Launch Market

Providing: Electronic Branch
 Account Look-Up
 Funds Transfer
 Bill Payment
 Messaging

Connecticut	B.N.E.
Atlanta	C & S
California	Great Western* , B of A, Citibank
Detroit	NBD, COMERICA, TOLEDO Tr,
Boston	B.N.E.
Washington D.C.	Sovran
Baltimore	Sovran
Philadelphia	
New York	MHT, Citibank
Denver	Comerica
Miami	C & S
Seattle	B of A
Houston	
Dallas	
Chicago	Citibank , NBD

Contracts: MHT, C&S, Toldeo Trust, Great Western*, NBD, Comerica

Contract Negotiations: Citibank, B of A, Sovran

Field Test: B.N.E.

SBC 003242

* Electronic Branch Only

D/205-23-88

Exhibit F

GROCERY

A quality grocery provider in
each launch market:

4,000+ Items
Home Delivery

Connecticut	Haberman/D'Agostino/Finast
Atlanta	Kroger
San Francisco	Grocery Express
Sacramento	Market Wholesale Grocery
Southern California	
Detroit	Kroger
Boston	Haberman/D'Agostino/Finast
Washington D.C.	Giant
Baltimore	
Philadelphia	
New York	Haberman/D'Agostino/Finast
Denver	Kroger
Miami	
Seattle	
Houston	Kroger
Dallas	Kroger
Chicago	Nash Finch

Contracts: Kroger, Grocery Express, Nash Finch

Contract Negotiations: Haberman/D'Agostino/Finast,
Supervalu

SBC 003243

COMMERCIAL DESTINATION CATEGORY

G R O C E R Y

1. Grocery Stores	5.
2. Carnation	6.
3. Pillsbury	7.
4. Procter & Gamble	8.
9.	

KEY PROSPECTS:

Campbells Soup
General Foods

SBC 003244

COMMERCIAL DESTINATION CATEGORY

TRAVEL

Description: Will become next Commercial Building to provide Members the ability to choose from a variety of travel options and book transportation, lodging, tours, and cruises based on the type of activity / destination.

1. TRAVEL CENTRAL Steven Birnbaum, Travelog, Travel Forecast	
2. BritRail	6. Air France
3. British Tourist Authority	<u>UNDER DEVELOPMENT:</u> <ul style="list-style-type: none"><input type="radio"/> Eaasy Sabre<input type="radio"/> Sheraton<input type="radio"/> Edwards & Edwards<input type="radio"/> Alamo<input type="radio"/> Rosenbluth<input type="radio"/> American On-Line Service<input type="radio"/> Allstate Motor Club<input type="radio"/> Budget Rent A Car<input type="radio"/> Cortell Atlantic & Pacific<input type="radio"/> Globus Gateway<input type="radio"/> National Car Rental
4. Norwegian Cruise Line	
5. Trusthouse Forte	

KEY PROSPECTS:

Sitmar Cruise Lines
United Vacations
Qantas
Official Recreation Guide
Comp-U-Card Travel Club

Mass Lottery
Cruise Scan Database

COMMERCIAL DESTINATION CATEGORY

PASTIMES

Description: Provides members with a variety of ENTERTAINMENT choices focusing on BOOKS, RECORDED MUSIC and miscellaneous activities. As content expands for sub-categories within PASTIMES, new destination categories will be developed.

1. PASTIMES CENTRAL Book Tip, Bridge, Encyclopedia Britannica, Diehl, Music Tip, Etc.	
2. McCall's Cooking School	6. Showtime <u>UNDER DEVELOPMENT:</u> <input type="radio"/> Bantam Books <input type="radio"/> Doubleday Books <input type="radio"/> Musicland (Sam Goody)
3. Reading Center	
4. Knowledge Collection	
5. Your Opinion	

KEY PROSPECTS:

Time/Life Books
Musicland (Data Base)
Miriam Webster

SBC 003246

COMMERCIAL DESTINATION CATEGORY

DEPT. STORES

Description: Members will look in this category for clients recognized as Department Stores. Their product offerings will cover many other categories.

1. DEPT. STORES CENTRAL News by Industry: Retail, Personal, CR Library, etc.	
2. Sears	6.
3. JC Penney	7.
4. Neiman Marcus	<u>UNDER DEVELOPMENT:</u> <input type="radio"/> The Broadway <input type="radio"/> Lechmere
5.	

KEY PROSPECTS:

Carson, Pirie, Scott & Co.
K mart
Harris Dept. Stores
Saks

COMMERCIAL DESTINATION CATEGORY

PC PRODUCTS

Description: This category will cover PC Hardware, Peripherals and Accessories. Purchasing will take place both directly and via computer retailers/catalogers.

1. PC PRODUCTS CENTRAL PC News, Consumer Reports (Printers), Alsop	
2. Dartek	6. Computer Express
3. NEC Home Electronics	7.
4. IBM	<u>UNDER DEVELOPMENT:</u>
5. Data Set Cable	<input type="radio"/> Apple

KEY PROSPECTS:

Hayes
NEC Information Systems
Tandy

SBC 003248

D/20:5-23-88

Exhibit E

COMMERCIAL DESTINATION CATEGORY

PC SOFTWARE

Description: Software publishers will provide detailed product information; Computer Express will provide a Discount Fulfillment data base; and PC Software Central will provide product reviews.

1. PC SOFTWARE CENTRAL Also: Industry News, PC News, Consumer Reports (PC)	
2. Spinnaker Software	6. Computer Express
3. Software Publishing Corporation	7.
4. Power Up!	<u>UNDER DEVELOPMENT:</u>
5. Broderbund Software	<ul style="list-style-type: none">○ Activision/Infocom○ Microsoft○ Computer Express (Data Base / Fulfillment)○ Britannica Software

KEY PROSPECTS:

Egghead Software
Brooktrout Technology
Electronic Arts

SBC 003249

D/20:5-23-88

Exhibit E

COMMERCIAL DESTINATION CATEGORY

INSURANCE

Description: All insurance companies will appear in this category until segmented into the types of insurance provided (Life, Health, Auto, etc.).

1. Aetna	
2. Allstate - Property & Casualty	6.
3. Colonial Penn	7.
4. Animal Health	<u>UNDER DEVELOPMENT:</u>
5.	<ul style="list-style-type: none"><input type="radio"/> Travelers<input type="radio"/> Washington National Life<input type="radio"/> Sun Life<input type="radio"/> Allstate Life

KEY PROSPECTS:

GEICO
John Hancock

SBC 003250

COMMERCIAL DESTINATION CATEGORY

INVESTMENTS

Description: The Investments category will migrate to logical groups based on product offerings (stocks, mutual funds, CD's, Bonds, Real Estate, etc.).

1. Sears Financial Network	
2. Coldwell Banker Real Estate	6.
3. Dean Witter	7.
4. Dreyfus	<u>UNDER DEVELOPMENT:</u>
5.	<ul style="list-style-type: none"><input type="radio"/> Pershing (Brokerage)<input type="radio"/> Scudder<input type="radio"/> 20th Century Investors<input type="radio"/> Dow Jones NewsRetrieval<input type="radio"/> Principle Financial

KEY PROSPECTS:

Business Week
Dow Jones (WSJ - Barrons)
Standard & Poors
Value Line
Principle Financial
Inc.
Forbes

SBC 003251

COMMERCIAL DESTINATION CATEGORY

BOUTIQUES

Description: This miscellaneous category is intended to be a browsing category for Members. Clients will move from this category to their own when sufficient additional clients are live (example: CHANEL to a fragrances/cosmetics category).

1. BOUTIQUES CENTRAL Under 21, Carmen Sandiego, etc.	
2. The Right Start	6. Current
3. Nestles	7. Sophisticated Legs
4. Disney	<u>UNDER DEVELOPMENT:</u>
5. CHANEL	<input type="radio"/> The Great Living Catalog <input type="radio"/> PetWorks <input type="radio"/> Texas Instruments

KEY PROSPECTS:

Compartments (Div. Carson, Pirie, Scott)
TSR (Toys / Games / Hobbies)

SBC 003252

COMMERCIAL DESTINATION CATEGORY

APPAREL / ACCESSORIES

Description: Clients whose main products are apparel/accessories will be featured in this category. When multiple linkages are available clients will be able to appear in multiple destination categories (i.e. Neiman Marcus could appear in Clothing as well as Department Stores).

1. CLOTHING CENTRAL Marylou Luther Fashion Column, John Molloy "Dress for Success", etc.	
2. Round the Clock Hose	6.
3. Givency	7.
4. Florsheim	8.
5. Spiegel	9.

KEY PROSPECTS:

Saks
County Seat
Carson, Pirie, Scott, Direct
J. C Penney (Expansion)
REI (Expansion)

S P O R T S E T C.

<p>1. SPORTS ETC. CENTRAL Cosell, Schaap, Sports Scores, Standings, Home Teams, Stories, etc.</p>	
2. REI	6.
3. Marcy Fitness	7.
4.	<p><u>UNDER DEVELOPMENT:</u></p> <p>○ Life Fitness</p> <p>○ Lechmere</p>
5.	

K Mart (Sporting Equipment)
Sears (Expansion)

COMMERCIAL DESTINATION CATEGORY

YOUR HOME

Description: Clients who's products and services relate to the home. In the future this category can be divided into: Lawn/Garden, Appliances, Home Improvements, etc.

1. YOUR HOME CENTRAL At Home, Heloise, Consumer Reports (Appliances), etc.	
2. Rubbermaid	6. Sunbeam Products
3. Amana	7.
4. The Wooden Spoon	<u>UNDER DEVELOPMENT:</u>
5. Reliable Home Office	<ul style="list-style-type: none"><input type="radio"/> Andersen Windows<input type="radio"/> MCI<input type="radio"/> DuPont - Corian

KEY PROSPECTS :

K-Mart
Sears (Expansion)

COMMERCIAL DESTINATION CATEGORY

AUTO

Description: The Auto category is being designed to include new cars, financing and leasing information, automotive services, auto insurance, etc.

1. AUTO CENTRAL Last Garage, Wheels, Consumer Reports (Auto Topics)	
2. Ford	6. GMAC
3. Buick	7.
4. Audi	<u>UNDER DEVELOPMENT:</u>
5. Autovision	<ul style="list-style-type: none"><input type="radio"/> Nissan<input type="radio"/> Ford Motor Credit<input type="radio"/> Sears

KEY PROSPECTS:

K-Mart

SBC 003256

COMMERCIAL DESTINATION CATEGORY

AUDIO / VIDEO

Description: Manufacturers of Audio and Video products will be joined by catalogers and retailers.

1. AUDIO/VIDEO CENTRAL Inside Soaps, Movie Srch. (DB), Movie Tip, Cnsmr. Rpts. Cable TV, etc.	
2. SONY - Television	6. NEC
3. Technics	7.
4. Panasonic	8.
5. Sony - VCR Camcorders	9. <u><u>UNDER DEVELOPMENT:</u></u> Lechmere

KEY PROSPECTS:

Toshiba
SCM
Bose

SBC 003257

COMMERCIAL DESTINATION CATEGORY

PHOTOGRAPHY

Description: The Photography category will feature the top camera and film manufacturers, film processing laboratories, retailers and catalogers.

1. PHOTOGRAPHY CENTRAL Photo News, Art Gallery	
2. Polaroid	6.
3. Fuji	7.
4.	<u>UNDER DEVELOPMENT:</u>
5.	<input type="radio"/> Nikon

KEY PROSPECTS:

Seattle Filmworks
K mart
Kodak
Canon
Minolta

SBC 003258

COMMERCIAL DESTINATION CATEGORY

CREDIT / LOAN

Description: Credit and Loan providers will be featured. The plan is to segment this category to move specific credit / loan products (Mortgages, Credit Cards, Personal Loans, etc.).

1. Sears Consumer Finance	
2. Discover Card	6.
3. Sears Mortgage	7.
4. American Express	<u>UNDER DEVELOPMENT:</u>
5.	<input type="radio"/> TRW (Credentials Svc.)

KEY PROSPECTS:

SBC 003259

OVERALL CLIENT WORK UNIT STATUS (6/27/88)

<u>PHASE</u>	<u># OF CLIENTS</u>
CONTRACTS IN HOUSE	29
MARKET DEVELOPMENT WORKSHEETS IN PROCESS	4
CONCEPT/SAMPLE CREATE	3
CONSENT CREATE	8
CLIENT CONSENT	4
PRE-LIVE	1.5
LIVE	63
	<u>112.5</u>

AS OF 6/27/88, 106 CUMULATIVE NEW SALES PACKAGES SOLD.

NOTE: INCLUDES NEW CLIENT PACKAGES AND ADDITIONAL SALES TO
CLIENTS AS FULL AND PARTIAL WORK UNITS.

*Database - Comp. Exp.
Total - added*

SBC 003260

A:0627801.057

SP-H

Exhibit F

6/30 MILESTONE STATUS

<u>CANDIDATES</u>	<u>STAGE</u>	<u>LIKELY DATE</u>
INFOCOM	CONSENT CREATE	7/15
P & G	CLIENT CREATE	7/15
MCI	LIVE	
ANDERSEN	CLIENT CONSENT	7/15
CARNATION	CONSENT CREATE	7/15
FORD MOTOR CREDIT	CONSENT CREATE	7/15
TRW	CLIENT CONSENT	7/05
ALLSTATE MOTOR CLUB	CONSENT CREATE	7/15
DTI	CONSENT CREATE	7/15
NEIMAN MARCUS	LIVE	
BALLY	PRE LIVE	6/30
BANTAM	CLIENT CONSENT	7/22
DOUBLEDAY	CONSENT CREATE	7/22
SEARS (.5)	LIVE	
COMPUTER EXPRESS (.5)	PRE LIVE	6/30
RIGHT START (.5)	CONSENT CREATE	7/15
GREAT LIVING	CONSENT CREATE	7/07
BUSINESS SERVICES PKG	CONSENT CREATE	6/30

COMPLETED CLIENT REFRESHES

<u>CLIENT</u>	<u>PACKAGE SIZE</u>	<u># SCREENS</u>	<u>COMPLETION DATE (1988)</u>
BRIT RAIL	B	1	1/01
WOODEN SPOON	C	28	1/04
POLAROID	B	1	2/02
RIGHT-START	C	24	2/02
REI	C	22	2/05
SEARS MERCH	D	200	2/29
NESTLES	C	5	3/23
BTA	B	10	3/30
COLDWELL	C	20	4/06
SHOWTIME MARON	A	5	4/06
SUNBEAM	B	10	4/06
SEARS HIPS		20	4/19
NESTLES	C	15	5/02
AIR FRANCE	C	8	5/20
WOODEN SPOON	C	50	5/28
CHANEL	B	4	5/31
SEARS MERCH	D	350	6/02
DARTEK	C	40	6/10
MARCY	B	10	6/17
- - - - -			
JC PENNEY (PH II)	D	200	4/08
MHT (PH II)	C+	40	7/15

SBC 003262

A:0627801.057
SP-H

Exhibit F

CLIENT REFRESHES IN PROGRESS

<u>CLIENT</u>	<u>PACKAGE SIZE</u>	<u># SCREENS</u>	<u>LIKELY DATE</u>
SPINNAKER	C	6	7/04
JCP	D	50	7/08
CHANNELMARK	B	11	7/12
DISCOVER	C	50	7/20
SEARS CONS.	D	70	7/22
DEAN WITTER	C	50	7/04
MHT	B	50	7/15
FUJI	B	10	7/15
RIGHT START	C	80	6/30
SEARS MORT.	D	30	7/11
REI	C	65	6/27

EPIC CLIENTS

<u>CLIENT</u>	<u>PACKAGE SIZE</u>	<u># SCREENS</u>	<u>EPIC DAY</u>
COLDWELL	C	4	EVERY WED.
DISCOVER	C	3	EVERY TUES.
DISNEY	C	1	WEEKLY
KEY BANK	A	3	EVERY FRI.
MHT	B	5	EVERY TUES.
PACIFIC IBM	C	10	EVERY TUES.
SEARS FIN.	B	3	EVERY TUES.

BANK MARKETING

CREDIT UNION ACTIVITY

CALIFORNIA: PACIFIC IBM EMPLOYEES FCU
 LOCKHEED EMPLOYEES CREDIT UNION

ATLANTA: IBM SOUTHEAST EMPLOYEES CREDIT UNION
 DELTA EMPLOYEES CREDIT UNION

NATIONAL: BANCONE (AARP)

OTHER: IBM ENDICOTT/OMEGA EMPLOYEES FCU
 IBM POUGHKEEPSIE EMPLOYEES FCU
 IBM ROCKY MOUNTAIN EMPLOYEES FCU

SBC 003265

BANKING

A: Leading Bank in Each Launch Market

Providing: Electronic Branch
 Account Look-Up
 Funds Transfer
 Bill Payment
 Messaging

Connecticut	B.N.E.
Atlanta	C & S
California	Great Western*, B of A, Citibank
Detroit	NBD, COMERICA, TOLEDO Tr,
Boston	B.N.E.
Washington D.C.	Sovran
Baltimore	Sovran
Philadelphia	
New York	MHT, Citibank
Denver	Comerica
Miami	C & S
Seattle	B of A
Houston	
Dallas	
Chicago	Citibank, NBD

Contracts: MHT, C&S, Toledo Trust, Great Western*, NBD, Comerica

Contract Negotiations: Citibank, B of A, Sovran

Field Test: B.N.E.

* Electronic Branch Only

EXHIBIT 6

SBC 003266

BANK MARKETING

CREDIT UNION STRATEGY

o PART OF EXISTING STRATEGY

o TERRITORY PROSPECTS

- QUALIFIED BY:

- . SIZE
- . MEMBER PROFILE
- . MEMBER HOUSEHOLD CONCENTRATION

o NATIONAL PROSPECTS

- . AARP
- . LEAGUE OF IBM CREDIT UNIONS

o ISSUES

- . COST JUSTIFICATION
- . MEMBER GEOGRAPHIC CONCENTRATION

SBC 003267

EXHIBIT 6

PRODIGY PARTNER EMPLOYEE OFFER

C&S BANKING PACKAGE

- 0 6 MONTHS FREE PC BANKING IF SIGN-UP BY 9/30/88**
- 0 FREE CHECKING FOR 1 YEAR**
- 0 FREE INITIAL SET OF CHECKS**
- 0 FREE DIRECT DEPOSIT**
- 0 50 BASIS POINTS OFF INSTALLMENT LOAN**

(POST BANK WITH C&S AND ALLOW AUTOMATIC DEBIT FOR PAYMENT)

- 0 RATE WATCHER CREDIT CARD FEE WAIVED FOR 1 YEAR**
- 0 25 BASIS POINTS BONUS ON TIME DEPOSITS**
- 0 PREFERRED READY EQUITY HANDLING**



YEAR-TO-DATE ORDERS & ENROLLMENTS

DATE 28 JUNE 1988

ORDERS	MODEMS	PERCENT
3,231	606	19%
3,175	199	6%
6,406	805	13%

ORDERS

3,231
3,175
6,406

FOUNDING
CHARTER
TOTAL

ENROLLMENTS

2,380
3,672
1.54

MEMBERSHIPS
MEMBERS

MEMBERS PER HOUSEHOLD

PRODIGY CONFIDENTIAL

EXHIBIT H

SBC 003269

CHARTER MEMBER ORDERS

ACTUAL vs. PLAN

<u>WEEK ENDING</u>	<u>WEEKLY ACTUAL ORDERS</u>	<u>WEEKLY PLAN ORDERS</u>	<u>VAR.</u>	<u>CUM. ACTUAL ORDERS</u>	<u>CUM. PLAN ORDERS</u>	<u>VAR.</u>
JUNE 11	249	11	N/A	249	11	N/A
JUNE 18	841	478	+76%	1090	489	+123%
JUNE 25	1514	1277	19%	2604	1766	+ 47%
JULY 2		2278			4044	
JULY 9		2478			6522	
JULY 16		1454			7976	
JULY 23		674			8650	
JULY 31		317			8967	
AUGUST 6		192			9159	
AUGUST 13		166			9325	
AUGUST 20		155			9480	
AUGUST 27		150			9630	

SBC 003270

A:06298MK1.055

Prodigy Internal Use Only

EXHIBIT H

FOUNDING MEMBER ACTIVATION PROGRAM

STEP I FOLLOW UP TELEPHONE CALL 6/29
SORT PROBLEMS
REFER TECHNICAL PROBLEMS TO MSS FOR CALL BACK
DIRECT THEM TO ENROLL A.S.A.P.

STEP II PRIZE POST CARD 7/21
TO THOSE STILL UNENROLLED WHO ARE NOT
ACTIVE TECHNICAL PROBLEMS AND STILL INTERESTED

STEP III LETTER FROM R. S. GLATZER 8/15
"HELP US SERVE YOU BETTER AND HOW HAVE
WE FAILED YOU" MESSAGE

SBC 003271

A:06298MK1.055

EXHIBIT H

Prodigy Internal Use Only

FOUNDING
MEMBER

CHARTER
MEMBER

INTRODUCTORY
MEMBER

APRIL

JUNE

SEPT

YEAR END

RETENTION ACTIVITIES

USAGE

☐ April Shower of Savings Rebate

☐ Founding Member Premium Mailing

☐ Transaction Sweepstakes

STIMU- LATION

☐ Sign On, Cash In™ Game

☐ Summer Olympics Contests

PROGRAMS

☐ Trivia Contest

☐ Carmen Sandiego Contest

☐ Back-To-School Sale

☐ Holiday Sales Events

CLIENT

CO-MARKETING

☐ CRS

☐ Pershing

☐ Grocery Express

☐ Kroger

☐ C & S Bank

MEMBER

COMMUNI- CATIONS

☐ ^{Senior} Bi-monthly Newsletter

☐ "Have You Tried" Post Cards

☐ On-Line "What's New" Section

☐ 800 # Hotline Test

RENEWAL / CONVERSION

☐ Begin Conversion Series for Charter Members

☐ Begin Conversion Series for Founding Members

EXHIBIT 14

SBC 003272

RAM FORECAST
% OF ADDRESSABLE BASE

	<u>'87</u>	<u>'88</u>	<u>'89</u>	<u>'90</u>
MS-DOS PCs <512K	17.0%	14.4%	11.8%	9.4%
MS-DOS 512K +>	41.6	48.0	53.9	60.2
APPLE II	31.2	26.3	21.0	15.4
MAC	7.9	8.6	10.6	11.9
MS-DOS	58.6	62.4	65.6	69.6

SBC 003273

A:06298801,024

EXHIBIT I

PRODIGY CONFIDENTIAL

RAM ANALYSIS
INSTALLED ADDRESSABLE BASE -- UNITS

	<u>'87</u>	<u>'88</u>	<u>'89</u>	<u>'90</u>
<u>ADDRESSABLE TOTAL:</u>	7.2	9.5	12.0	14.7
<u>MS-DOS</u>	4.2	5.9	7.9	10.2
● PCs WITH <512K	1.2	1.4	1.4	1.3
● PCs WITH 512K +>	3.0	4.5	6.5	8.9
<u>APPLE</u>	2.8	3.3	3.8	4.1
● APPLE II	2.2	2.5	2.5	2.3
● MAC	.6	.8	1.3	1.8

SBC 003274

A:06298801.024

EXHIBIT I

PRODIGY CONFIDENTIAL

256K ANALYSIS

% PENETRATION OF ADDRESSABLE BASE

<u>'87</u>	<u>'88</u>	<u>'89</u>	<u>'90</u>
17.0%	14.4%	11.8%	9.4%

- DECLINING TREND OF INSTALLED BASE PENETRATION.
 - LESS 256K MACHINES BEING SOLD.
 - INCREASING NUMBERS OF ORIGINAL OWNERS ARE UPGRADING THE MEMORY OF 256K MACHINES DUE TO EVER INCREASING NEEDS (E.G. SOFTWARE).
- TANDY ONLY MAJOR MANUFACTURER STILL PRODUCING 256K MACHINES AND SELLING THEM AS THEIR CORE PRODUCT. THIS STRATEGY WILL CHANGE IN THE NEXT COUPLE OF YEARS.
- IMPACT ON POTENTIAL TANDY PRODUCTIVITY (SELLING PRODIGY) WILL BE FELT EARLY ON ('88) IMPROVING OVER TIME--ASSUMING NO 256K SUPPORT.
- PRIOR TO MARKET ENTRY (OCTOBER), SUBLOGATE WILL NOT BE MARKET TESTED IN HUNDREDS OF HOMES.

SBC 003275

A:06298801.024

EXHIBIT I

PRODIGY CONFIDENTIAL

MEMBERSHIP FORECAST

(SURROGATE CASE #1)

ASSUMPTIONS

- o 512K MS DOS, APPLE II/C/E/GS
- o SOFT LAUNCH IN SEPTEMBER, OCTOBER 1ST START

	<u>ORDERS (SEPT.-DEC.)</u>			
	<u>RETAIL</u>	<u>DIRECT*</u>	<u>SPECIALTY*</u>	<u>TOTAL</u>
FORECAST	14,051	18,317	4,910	37,261
RECEPTION SYSTEM IMPACT	9,640	16,027	4,296	29,963
				(-7,298)
SOFT LAUNCH IN SEPTEMBER,				
OCTOBER 1ST START	7,230	15,000	3,639	25,869
				(-11,392)

*FORECAST ASSUMES: 12.5% IBM 256K MS. DOS INSTALLED BASE

YEAR END MEMBERSHIPS*

FORECAST	37,755
RECEPTION SYSTEM IMPACT	31,187
OCTOBER 1ST START	27,008

*ASSUMES 90% OF SEPT.-DEC. ORDER ENROLL

SBC 003276

A:06158CK1.044

PRODIGY CONFIDENTIAL

EXHIBIT I

WHITE PLAINS PLAZA
LEASE SYNOPSIS

- 0 271,135 SQUARE FEET
- 0 \$23.13/SQ. FT. AVERAGE RENT
- 0 FULL SUBLEASE/ASSIGNMENT RIGHTS
 - PARTNERS
 - OTHERS
- 0 EXPIRATION DATE SEPT. 30, 1993
 - 9TH FLOOR MARCH 31, 1990 (5 YR. RENEWAL)
 - 5TH FLOOR JUNE 30, 1993

SBC 003277

a:l sesyn.045

EXHIBIT J

PRODIGY CONFIDENTIAL

WHITE PLAINS PLAZA
LEASE SYNOPSIS

- 0 CANCELLATION OPTION (ALL BUT 2ND FLOOR 1 NB,
5TH FLOOR 1 NB, 9TH FLOOR 445 HAMILTON AVE.)
 - NOTICE AUGUST 1, 1988
 - TERMINATION SEPT. 30, 1989
 - PENALTY
 - \$ 575,000 IF BUSINESS CLOSED
 - \$1,115,000 ALL OTHER
 - IF NO CANCELLATION \$22,662,832 RENT
COMMITMENT TO SEPTEMBER, 1993
- 0 INCENTIVE PAYMENT: (NONCANCELLATION)
 - \$735,672
 - PAYABLE AS RENT ABATEMENT OR CHECK

SBC 003278

a:llesyn.045

EXHIBIT 1

PRODIGY CONFIDENTIAL

WHITE PLAINS PLAZA

LANDLORD CONTRIBUTIONS AS NEGOTIATED BY PRODIGY SERVICES COMPANY UNDER
THE LEASE DATED MARCH 8, 1985.

\$ 634,544	4, 5, & 5TH FLOORS
211,488	7TH FLOOR
60,000	4, 5, 6, & 7TH ELEVATOR LOBBIES
105,754	A&E FEES 4TH, 5TH, 6TH & 7TH
412,404	1ST, 2ND, 8TH & 6TH (NB)
312,000	2ND FLOOR (NB)
<u>24,246</u>	12TH FLOOR LOBBY/LAVATORIES (NB)
\$ 1,760,436	

SBC 003279

a:lseyyn.045

EXHIBIT J

PRODIGY CONFIDENTIAL

WHITE PLAINS PLAZA

SPACE/RENT COSTS

<u>FLR</u>	<u>LOCATION</u>	<u>SQ. FT.</u>	<u>COST/SQ. FT.</u>	<u>ANNUAL COST</u>
1	445	6,090	\$ 25.95	\$158,035.50
2	445	11,967	25.95	310,543.65
4	445	26,436	20.75*	548,547.00
5	445	26,436	20.75*	548,547.00
6	445	26,436	20.75*	548,547.00
7	445	26,436	20.75*	548,547.00
8	445	26,436	25.95	686,014.20
9	445	26,436	22.50	594,810.00
2	1NB	32,008	22.50	720,180.00
5	1NB	13,962	25.00	349,050.00
6	1NB	24,246	25.95	629,183.70
12	1NB	<u>24,246</u>	25.95	<u>629,189.70</u>
		271,135		\$6,271,188.75

MONTHLY COST: \$522,599.06

AVERAGE RENT: \$ 23.13/SQ. FT.

SBC 003280

*INCREASES TO \$23.95 EFFECTIVE 8/1/88

NOTE: (ALL EXPIRES 9/30/93 EXCEPT 9TH FLOOR - EXPIRES 3/31/90
5TH FLOOR - EXPIRES 6/30/93)

o:lsesyn.045

PRODIGY CONFIDENTIAL

EXHIBIT J

WHITE PLAINS PLAZA

RECOMMENDATION:

0 DO NOT EXERCISE CANCELLATION

- FAVORABLE RENTS
- RESPONSIVE LANDLORD
- GOOD LOCATION/BUILDINGS

SBC 003281

a:lsesyn.045

EXHIBIT J

PRODIGY CONFIDENTIAL

YORKTOWN UPDATE

0 LEASE SIGNED JUNE 6, 1988

0 TERMS AS APPROVED:

- 2 YEAR COMMITMENT
- EXPANSION OPTIONS
- RENEWAL OPTIONS

0 CONSTRUCTION PROGRESS

- BASE BUILDING UNDERWAY
- INTERIOR DESIGN & ENGINEERING UNDERWAY
- PROJECTED COMPLETION/OCCUPANCY 1Q 1989
- PROJECTED OPERATIONAL 2Q 1989

SBC 003282

a:llesyn.045

EXHIBIT J

PRODIGY CONFIDENTIAL

NUMBER OF EMPLOYEES
MAY 31, 1988

	ACTUAL	REVISED BUDGET	VARIANCE AMT	PCT
	-----	-----	-----	-----
MEMBERSHIP MARKETING	48	47	1	2
COMMERCIAL MARKETING	52	54	(2)	(4)
PRODUCT DEVELOPMENT	180	177	3	2
SYSTEMS DEVELOPMENT	171	167	4	2
SYSTEMS OPERATIONS & TELECOMMUNICATIONS	226	228	(2)	(1)
BUSINESS SERVICES	12	12		
GENERAL & ADMINISTRATIVE	128	133	(5)	(4)
TOTAL	----- 817 =====	----- 818 =====	----- (1) =====	
ORIGINAL BUDGET	----- 817 =====	----- 877 =====	----- (60) =====	(7)

NET EXPENSES
MAY 1988 - YEAR TO DATE
(\$ 000'S)

	ACTUAL	REVISED BUDGET	VARIANCE AMT	PCT
	-----	-----	-----	-----
REVENUE				
MEMBERSHIP MARKETING	47	114	67	59
COMMERCIAL MARKETING	403	415	12	3
	-----	-----	-----	
	450	529	79	15
	=====	=====	=====	
EXPENSES				
MEMBERSHIP MARKETING	5,179	5,292	(113)	(2)
COMMERCIAL MARKETING	2,773	2,778	(5)	
PRODUCT DEVELOPMENT	7,259	7,233	26	
SYSTEMS DEVELOPMENT	12,171	12,130	41	
SYSTEMS OPERATIONS & TELECOMMUNICATIONS	13,477	13,743	(266)	(2)
BUSINESS SERVICES	1,141	1,217	(76)	(6)
GENERAL & ADMINISTRATIVE	5,498	5,560	(62)	(1)
	-----	-----	-----	
	47,498	47,953	(455)	(1)
	=====	=====	=====	
NET EXPENSES	47,048	47,424	(376)	(1)
	=====	=====	=====	
ORIGINAL BUDGET	47,048	53,225	(6,177)	(12)
	=====	=====	=====	

PRODIGY CONFIDENTIAL

EXHIBIT K

SBC 003284

CAPITAL EXPENDITURES
MAY 1988 - YEAR TO DATE
(\$ 000'S)

	YTD APPROVALS -----	1988 REVISED BUDGET -----
MEMBERSHIP MARKETING	. 171	354
COMMERCIAL MARKETING	45	92
PRODUCT DEVELOPMENT	294	678
SYSTEMS DEVELOPMENT	186	1,015
SYSTEMS OPERATIONS & TELECOMMUNICATIONS	7,594	15,871
BUSINESS SERVICES		113
GENERAL & ADMINISTRATIVE	1,956	12,877
TOTAL	----- 10,246 =====	----- 31,000 =====

SBC 003285

PRODIGY CONFIDENTIAL

EXHIBIT K

1988 MILESTONES

<u>Dept</u>	<u>Milestone</u>	<u>Orig</u>	<u>Dates Rev</u>	<u>Comp</u>
MM	Subscriber Acquisition Support Systems In Place For Charter Member Programs (REPLACEMENT)	5/15		6/13
COM	Launch In San Francisco	5/05	6/06	6/06
PD/SD/STT	Kroger Gateway And Grocery Shopping Application Available In Atlanta	6/15		
CM/PD	75 Client Packages Live	6/30		
CM	Contracts Signed In 2Q: 25 Packages, 1 Service Plus Travel Agent, 1 Record Database Client	6/30		
BUS	Close Market Support Service Contract	6/30		
BUS/PD/SD	Pilot Of Artec Service Live (REPLACED) (Orig: 7/15)			
PD/SD/STT	American Airlines Gateway And Phase 1 Application Available – First Preferred Travel Agent	7/15		
MM	Subscriber Acquisition Support Systems In Place To Support Introductory Member Program (REPLACEMENT)		7/15	
SD	Support For MS – DOS Machines With At Least 256K Of Main Memory Available	4/15	7/18	
SD	Support For Apple II – c, II – e Available	4/15	7/18	
PD/SD/STT	Pershing Brokerage Gateway And Applications Available	8/31		
PD/SD/STT	Grocery Express Gateway And Application Available	8/31		

**This Page is Inserted by IFW Indexing and Scanning
Operations and is not part of the Official Record**

BEST AVAILABLE IMAGES

Defective images within this document are accurate representations of the original documents submitted by the applicant.

Defects in the images include but are not limited to the items checked:

☐ BLACK BORDERS

☒ IMAGE CUT OFF AT TOP, BOTTOM OR SIDES

☐ FADED TEXT OR DRAWING

☐ BLURRED OR ILLEGIBLE TEXT OR DRAWING

☐ SKEWED/SLANTED IMAGES

☐ COLOR OR BLACK AND WHITE PHOTOGRAPHS

☐ GRAY SCALE DOCUMENTS

☐ LINES OR MARKS ON ORIGINAL DOCUMENT

☒ REFERENCE(S) OR EXHIBIT(S) SUBMITTED ARE POOR QUALITY

☐ OTHER: _____

IMAGES ARE BEST AVAILABLE COPY.

As rescanning these documents will not correct the image problems checked, please do not report these problems to the IFW Image Problem Mailbox.